City of Key West, Florida

Professional Services for Monitoring of Debris Removal and Related Services

RFP NO. 008-11 | MAY 2011 | COPY

SAIC®
From Science to Solutions

May 2, 2011

Ms. Sue Snider
City of Key West
Office of the City Clerk
525 Angela Street
Key West, FL 33040

Subject: RFP No. 008-11 – Professional Services for Monitoring of Debris Removal and Related Services

Dear Ms. Snider and Members of the Evaluation Panel:

The BDR Division[1] of Science Applications International Corporation (SAIC) is pleased to submit the enclosed response to provide debris removal monitoring and related services to the City of Key West, Florida (City) in the event of a future disaster. SAIC offers a unique integration of mitigation, emergency preparedness, disaster response, and recovery management, resulting in end-to-end solutions to any of the City's post-disaster management, monitoring, and consulting needs. We are well suited to assist the City with these essential services for the following reasons:

- **Nation's Largest and Most Experienced Staff of Debris Management Experts:** SAIC maintains an experienced staff of over 1,800 full-time emergency preparedness/disaster recovery experts and has over 43,000 employees worldwide. This depth affords SAIC the flexibility and resources necessary to stage a full-scale mobilization in the City within hours of a major disaster event. ***At the peak of the 2008 hurricane season, we deployed more than 3,200 personnel on behalf of 80 clients in Texas, Louisiana, Alabama, and Florida***.
- **Proven Capabilities in Providing Disaster Debris Management and Reimbursement Services:** We have been providing disaster management, recovery, and reimbursement services to local government clients throughout the United States for over 19 years. ***Our team of disaster response and recovery experts have managed, monitored, and substantiated the removal of over 62 million cubic yards of debris on behalf of 177 public sector clients***, resulting in over $2 billion in reimbursable costs to our clients from the Federal Emergency Management Agency (FEMA) and the Federal Highway Administration (FHWA).
- **FEMA Reimbursement Experts/Washington D.C. Support:** SAIC understands the 2011 FEMA debris monitoring regulations and specifications for funding reimbursement, including FEMA-325 and FEMA-327. As a value-added benefit to the City, ***SAIC maintains a staff of reimbursement policy experts who have been successful in obtaining reimbursement for over $2 billion of FEMA Public Assistance and FHWA costs incurred by our clients***. Our experts can help the City maximize reimbursement from FEMA and obtain favorable interpretation of FEMA reimbursement policy.
- **Track Record of Embracing Local Staffing and Economic Stimulus:** SAIC's track record of staffing its debris removal monitoring engagements with local staff speaks for itself. In many cases, ***more than 90 percent of the staff utilized by SAIC following natural disasters is hired locally from within the impacted community***. Residents will have the opportunity to get back to work immediately with a rewarding opportunity to participate actively in local recovery efforts.

[1] The BDR Division of Science Applications International Corporation (SAIC) formerly operated as Beck Disaster Recovery, Inc., which was acquired by SAIC in August 2009 and now operates as a fully integrated division of SAIC.

- **Commitment to Continuous Quality Improvement:** In the past 18 months, ***we have invested nearly $2 million in improving our data management systems and reporting processes to ensure that accurate and expeditious reports are provided when we are called upon to activate our staff***. The investments we have made in our mobile command center, automated ticketing technology, geographic information system (GIS) tracking tools for roads and canals, and hauler invoice reconciliation software will provide up-to-date information to City officials regarding the recovery effort.

SAIC would be honored to serve as the City's stand-by debris monitoring service provider. Should a debris generating event occur in the future, we are fully prepared to provide the high quality service the City deserves and expects. If you have any questions regarding this submittal, please contact the company representatives listed below.

Contractual representative:
Ms. Betty Kamara, Contracts Administrator
2301 Lucien Way, Suite 120
Maitland, FL 32751
Cell: (407) 803-2551 | Fax: (321) 441-8501
E-mail: betty.v.kamara@saic.com

Technical representative:
Mr. Ralph Natale, Deputy Division Manager
2301 Lucien Way, Suite 120
Maitland, FL 32751
Cell: (407) 580-8184 | Fax: (321) 441-8501
E-mail: ralph.a.natale@saic.com

Sincerely,
Science Applications International Corporation

Betty Kamara
Contracts Administrator

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ATTACHMENT A

PROFESSIONAL SERVICES REQUEST FOR PROPOSLA FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES
UNIT PRICE PROPOSAL FORM

Proposal costs are inclusive of all related expenses including, but not limited to, contract administration, technical assistance to the City, personnel training and certification, TDMS management, services for security, safety, and associated actions necessary for implementation of debris management monitoring operations by the Proposer as defined in the Contract.

PROPOSAL FROM:
Company: Science Applications International Corporation

Address: 2301 Lucien Way, Suite 120, Maitland, FL 32751

Phone/ Fax: (321) 441-8500, (321) 441-8501

To furnish all materials, equipment and labor and to perform all work in accordance with the Contract Documents for construction of: **Professional Services for Monitoring of Debris Removal and Related Services**, located at various locations within CITY OF KEY WEST, Florida.

To: *CITY OF KEY WEST*
ATTN: CITY CLERK
525 Angela St.
P.O. Box 1409
Key West, FL 33040

1.0 The undersigned Proposer proposes and agrees, if this Proposal is accepted, to enter into a Contract with CITY in substantially the form as the Contract included in the Proposal Documents to perform all Work and any Additional Services as specified or indicated in the Proposal Documents at the unit prices and within the times indicated in this Proposal and in accordance with the other terms and conditions of the Proposal Documents.

2.0 Proposer accepts all of the terms and conditions of the Invitation to Proposal and Instructions to Proposers, including without limitation those dealing with the disposition of Proposal security. The Proposal will remain subject to acceptance for 90 days after the Proposal opening, or for such longer period of time that Proposer may agree to in writing upon request of CITY.

3.0 In submitting this Proposal, Proposer represents, as set forth in the Contract, that:

A. Proposer has examined and carefully studied the Proposal Documents, the other related data identified in the Proposal Documents, and the following Addenda, receipt of all, which is hereby acknowledged;

Addendum No.	Addendum Date
1	4/8/2011
2	4/18/2011

B. Proposer has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, and performance of the Work;

C. Proposer is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work;

D. Proposer has correlated the information known to Proposer, including location of the City in relation to any proposed final disposal sites, information and observations for City's Debris Separation/Reduction and Temporary Debris Management Sites obtained from visits to the Site, any reports and drawings identified in the Proposal Documents, and all additional examinations, investigations, and data provided with the Proposal Documents;

E. Proposer has given the City written notice of all conflicts, errors, ambiguities, or discrepancies that Proposer has discovered in the Proposal Documents, and the written resolution thereof by the City is acceptable to Proposer;

F. The Proposal Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Proposal is submitted.

4.0 Proposer further represents that this Proposal is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Proposer has not directly or indirectly induced or solicited any other Proposer to submit a false Proposal; Proposer has not solicited or induced any individual or entity to refrain from Proposal; and Proposer has not sought by collusion to obtain for itself any advantage over any other Proposer or over City.

5.0 Proposer acknowledges that there are no quantities guaranteed, and Unit Cost information is solely for the purpose of comparison of Proposals, and final payment for all Unit Price Proposal items will be based on actual services provided, determined as provided in the Contract Documents.

6.0 Proposer acknowledges that all unit costs include any necessary insurance and bonds.

Table A – Unit Price

Positions	Staffing Ratio	Hourly Rate	Estimated Hours	Extended Cost
Principal In Charge	0.25	$105	10	$1,050
Project Manager	1	$95	160	$15,200
Deputy / Operations Manager	1	$85	200	$17,000
IT Specialist	0.25	$65	10	$650
Project Coordinator	1	$35	200	$7,000
Data Manager	1	$75	120	$9,000
GIS Analyst	0.10	$65	2	$130
Field Supervisor	4	$57.50	960	$55,200
Debris Site / Tower Monitors	6	$41	1,440	$59,040
Collection Monitor	30	$41	7,200	$295, 200
Citizen Drop Off Site Monitor	2	$41	360	$14,760
Data Entry Clerk/ Clerical	2	$32	280	$8,960
Billing / Invoice Analysts	0.75	$35	105	$3,675
Billing / Invoice Manager	1	$65	220	$14, 300
FEMA Coordinator / Specialist	0.50	$95	40	$3,800
Public Information Support Manager	0.25	$50	10	$500
Call Center Staff	2	$29	480	$13,920
Total Estimated Cost				$519,385

Confirmation of Signature of Unit Price Proposal Information

Science Applications International Corporation
Name of Proposer

Signature of Proposer

Contracts Administrator
Title

7.0 Proposer's Information:

The PROPOSER states that they are an experienced CONTRACTOR, providing Debris Monitoring Services and has completed similar Work within the last five years. This information has been provided on Contractor's Qualifications Statement Attachment D.

8.0 Proposer accepts the provisions of the Contract. If the Proposer takes exception to any of the provisions in the Contract, the Proposer will provide a list of the exceptions under a separate Tab.

9.0 The Proposer is familiar with the terms used in this Proposal and the meanings indicated.

PROPOSAL SUBMITTED on May, 2, 2011.

State Contractor License No. P00868 (document number) . (If applicable)

License Type: State of Florida Certificate of Status

If Proposer is:
An Individual N/A

Name (typed or printed): ______________________________

By: ______________________________(SEAL)
(Individual's signature)

Doing business as: ______________________________

Business address: ______________________________

Phone No:______________________________ FAX No.:______________

If Proposer is:
A Partnership N/A

Partnership Name: ______________________________(SEAL)

By: ______________________________
(Signature of general partner -- attach evidence of authority to sign)

Name (typed or printed): ______________________________

Business address: ______________________________

____

Phone No: ______________________FAX No: ______________

If Proposer is:
A Corporation

Corporation Name: Science Applications International Corporation (SEAL)

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION
OCTOBER 21, 1980
DELAWARE

State of Incorporation: Delaware

Type (General Business, Professional, Service, Limited Liability): Professional

By: ______________________________
(Signature -- attach evidence of authority to sign)

Name (typed or printed): Betty Kamara

Title: Contracts Administrator

(CORPORATE SEAL)

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION
OCTOBER 21, 1980
DELAWARE

Attest: Please see attached corporate resolution.
(Signature of Corporate Secretary)

Business address: 2301 Lucien Way, Suite 120, Maitland, FL 32751

Phone No: (321) 441-8500 FAX No: (321) 441-8501

Date of Qualification to do business is February 8, 1984

OFFICER'S CERTIFICATE

I, Lawrence E. Ruggiero, hereby certify that:

1. I am a duly elected, qualified and acting Senior Vice President and Assistant General Counsel of Science Applications International Corporation ("SAIC"), a duly organized and existing Delaware corporation; and

2. Science Applications International Corporation Policy SG-7, "Authorities for Corporate Commitments," sets forth the delegation of authority to the company's officers and employees to create financial, contractual, and other obligations on behalf of SAIC in the course of performing their employment, which was duly adopted by the SAIC Board of Directors pursuant to a resolution dated October 14, 2010. This policy permits delegation of signature authority to authorized Contract Representatives. Betty Kamara is such an authorized Contract Representative, and therefore by this delegation has signature authority to sign proposals and bind SAIC in contractual commitments.

IN WITNESS WHEREOF, I have executed this Officer's Certificate and affixed the corporate seal of Science Applications International Corporation this 17th day of March, 2011.

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

Lawrence E. Ruggiero

Lawrence E. Ruggiero
Senior Vice President, Assistant General Counsel
Assistant Corporate Secretary

Corporate Seal

APPLICATIONS INTERNATIONAL CO... INCORPORATED ... SCIENCE ...

STATE OF VIRGINIA)
) SS.
COUNTY OF FAIRFAX)

The undersigned, a Notary Public, does hereby certify that on this 16th day of MARCH, 2011, personally appeared before me LAWRENCE E. RUGGIERO, who being first duly sworn on oath, declared that he is Secretary of Science Applications International Corporation, that he signed the foregoing document as Secretary of the corporation, and that the statements contained therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date set forth above.

Seal

MARTHA L. WATERS NOTARY PUBLIC REG # 343193 MY COMMISSION EXPIRES 08/31/2012 COMMONWEALTH OF VIRGINIA

Martha L. Waters

NOTARY PUBLIC

My commission expires 8-31-2012

ATTACHMENT B
PROPOSER'S TECHNICAL APPROACH / GENERAL OPERATIONS PLAN

A detailed description of how the Proposer would respond to a Hurricane or other event. In the Plan, assume that A Category 2 Hurricane has made landfall on the City of Key West generating the amount of debris described below.

Vegetative Debris	146,000	Cubic Yards
Construction and Demolition Debris	48,000	Cubic Yards
Mixed Debris	6,000	Cubic Yards
White Goods	1,000	Units
House Hold Hazardous Waste	1,000	Pounds
Total Yards	200,000	

Proposer's Operations Plan should be very detailed describing:

- Meetings,
- Timeline,
- Equipment to be mobilized,
- Manpower needed,
- Monitoring of collections,
- TMDS operations,
- Demobilization,
- Monitoring site remediation if needed,
- Close out.

Proposer shall include a detailed Safety Plan. Documentation of training for each crewmember must be submitted with the Proposal and updated annually.

A detailed description of SAIC's technical approach/general operations plan in response to a hurricane or other event is provided on the subsequent pages.

Debris Monitor Management Plan/Technical Approach

The BDR Division of Science Applications International Corporation (SAIC)[1] annually develops a Hurricane scenario allowing out team to familiarize themselves with any new Federal and regulatory policies as well as help us be better prepared to respond to an activation. SAIC has run its model to match a category 2 storm that hits the city of Key West and produces 200,000 Cubic Yards of debris.

In preparing to respond, SAIC uses a combination of the FEMA HAZUS model (based on tree canopy), the SAIC debris and resources estimating tool (an internal tool that has been refined and tested since 2004), and the U.S Army Corps of Engineers debris estimating model. Because this debris estimate comes from computer-generated models, similar storms may have different impacts based on varying precipitation amounts, the number of tornados within the system, the speed the storm moves though the City, storm surge, etc. Upon award of a debris monitoring contract and if requested, SAIC will work with the City to customize the City's Disaster Debris Management Plan (DDMP) to include existing zones, logistical issues created with the debris hauler contract, logistical issues created by limited debris management sites and recycling opportunities within the area. SAIC will also work closely with the Key West Art and Historical Society (KWAHS) to identify and preserve historically significant areas and landmarks in the City, further demonstrating SAIC's dedication and the value the company can bring as the City's debris monitoring firm.

Personnel Resources of SAIC

At SAIC, our staff is our most valuable resource. Our team of response and recovery experts has proven that our ability to serve our clients begins and ends with our seasoned disaster recovery professionals.

Our team consists of experienced emergency managers, disaster preparedness specialists, engineers, surveyors, and hazardous waste technicians who possess hands-on experience in recent disasters and emergencies as well as prevention, mitigation, preparedness, response, and recovery programs. SAIC's disaster recovery professionals have managed projects in response to floods, tornadoes, ice storms, and straight-line wind events in 13 states with simultaneous activations in 9 states. This has included large-scale debris monitoring involving a minimum of 1 million CY of debris for 18 government entities.

Because of prior Florida Key's experience SAIC understands the unique challenges with deploying resources to Key West following a disaster. SAIC is committed to coordinating with the City prior to an event to ensure rapid response times and capability to mobilize resources to the impacted area.

Table B-1 on the following page describes the personnel resources available for immediate deployment following a debris-generating event and activation. The table also shows resources needed to respond to the stipulated Category 2 Hurricane scenario generating 200,000 cy of debris in the City's solicitation based on model debris statistics and SAIC's resource requirements tool.

Figure B-1 illustrates the organization of the City's dedicated team of experts.

[1] *The BDR Division of Science Applications International Corporation (SAIC) formerly operated as Beck Disaster Recovery, Inc., which was acquired by SAIC in August 2009 and now operates as a fully integrated division of SAIC.*

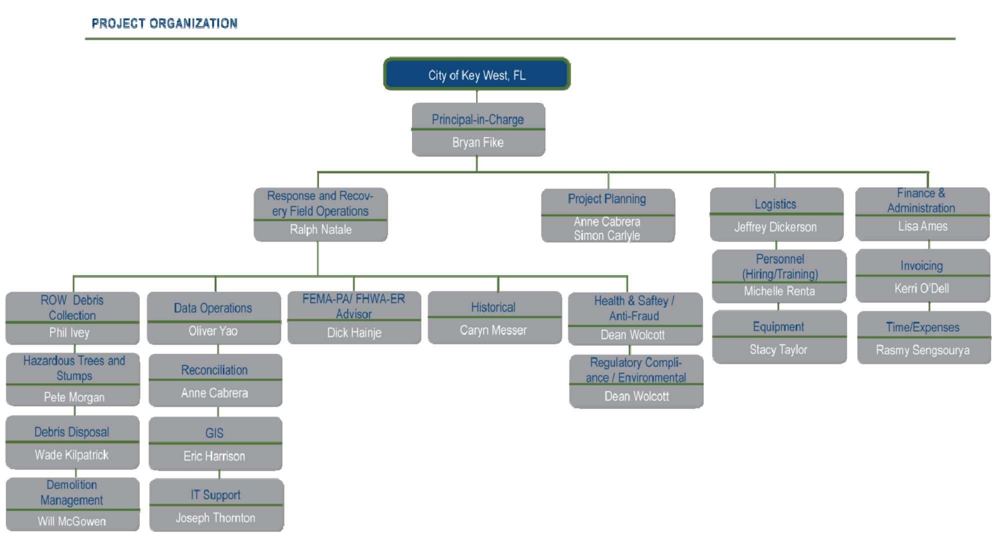
Exhibit B-1: Immediately Available Personnel Resources

Resource	Total Number of Personnel Available	*Peak**	*Daily Average ***
Management Team			
Project principals	**3**	**1**	**.25**
Project managers	**5**	**1**	**1**
Operations managers	**5**	**3** *(dependent on the number of staging locations)*	**1** *(dependent on the number of staging locations)*
Field Staff			
Collection monitors	**500**	**40**	**30**
Disposal monitors	**20**	**8** *(dependent on number of debris management sites and truck volume)*	**6**
Field supervisors (7:1 monitor-to-field supervisor ratio)	**12**	**6**	**4**
Project coordinators (50:1 monitor-to-project coordinator ratio)	**20**	**1**	**1**
Data entry	**150**	**4**	**2**

*Peak typically occurs two to three weeks into the project.

** Resource estimation quantities are based on the stipulated Category 2 Hurricane scenario that generates 200,000 cy of debris

Staffing



Scope of Work

Our approach to debris monitoring has been tested on over 175 clients in 13 states over the last 6 years. From our project management plan to data reporting, reconciliation, and final closeout, our staff is trained and ready to implement this proven approach with or without warning. This approach will ensure the City's compliance with Federal Highway Administration Emergency Relief manual (FHWA-ER), Natural Resources Conservation Service (NRCS), FEMA 327, FEMA 325, FEMA 329, and FEMA 322 guidelines, optimazing maximum reimbursement.

Project Management Plan

One of the initial tasks performed by the SAIC team after activation will be to update a project management plan (PMP), which will be a pre-existing draft document for a post-event contract. At a minimum, the PMP will include the following essential documents listed below.

Organizational Chart: The organizational chart will depict the operational and reporting relationships between project constituents, including the City, SAIC, the debris removal contractor(s) and regulatory agencies.

Contact List: After establishing the project reporting structure through the development of the organizational chart, SAIC will identify and document a primary and secondary point of reference and a means of contact for each area of functional responsibility.

Daily Meetings: The SAIC project manager or deputy project manager will facilitate daily meetings between the City of Key West, end users, and the debris removal contractor project management staff to discuss daily reports, problems that require resolution, coordination challenges, safety issues, potential operational improvements, etc. Daily meetings are essential for the first few weeks of a debris removal operation, after which frequency is typically reduced as appropriate.

Contract Review: The contract between the City and SAIC outlines and defines the roles and responsibilities of each party, and the contract between the end user and SAIC will be clearly defined prior to commencing work. During the course of the project initiation meeting, SAIC and the City will conduct a thorough review of debris contracts and clarify any misunderstandings with respect to scope, terms, and conditions. In addition, SAIC will provide consultation to the City with respect to any potential funding issues that may result from the contracts due to recent changes in federal policy or guidance, mitigating potential issues that maximize reimbursement at final closeout.

Geographic Information Systems (GIS) Data: SAIC's information technology and data management infrastructure is equipped to provide GIS reporting and progress posting to mapping software. In order to accomplish this, SAIC will work with the City's GIS department to gather the necessary layer data required to build and populate GIS reporting tools should GIS services be requested.

Cost Control Protocols: Given SAIC's experience in the debris monitoring business and our understanding of the FEMA Public Assistance (PA) Program and the FEMA Emergency Relief (ER) Program, we understand the scrutiny that government agencies receive on debris removal efforts. Therefore, SAIC will implement cost control protocols to ensure that reasonable cost requirements established by funding agencies are met. Examples of procedures used by SAIC to control project costs include the following:

- Communicating with the client on a daily basis relative to their expectations for staff resources and level of service
- Monitoring the ratio of monitors to supervisors on a daily basis
- Attempting to utilize as many local personnel as possible in order to avoid travel and per diem expenses
- Close daily coordination with debris haulers on crew resources in order to match monitor needs with available crews (and avoid unnecessary staff from showing up for work with no crews)
- Using SAIC's national contracts for rental cars, cell phones, etc. that provide lower rates than individual plans

Damage Assessment/Debris Estimates

As an international consulting firm, SAIC possesses unique skills and resources to assist with a damage assessment inventory. At the request of the City, SAIC can deploy the project manager to the emergency operations center (EOC) before impact to help the City prepare for the assessments that are to follow.

Our approach to damage assessment begins with the FEMA 329 guidelines and the SAIC project manager coordinating with the end users' debris manager or other assigned individual to identify the specific damage assessment services requested (for example, debris-related, structures, and utilities). The SAIC project manager will communicate with the SAIC resource manager, and the appropriate staff with the proper service expertise will mobilize.

Debris Estimation: A key element of the damage assessment process is determining the quantities of debris created by the event throughout the affected areas. To adequately plan and mobilize for a disaster-debris recovery effort, it is critical to understand the potential quantities of debris that may be generated. SAIC has found that rather than relying on a single approach, a combination of debris-estimating methodologies generally produces a more accurate estimate. The following Debris-estimating methodologies will be used by SAIC:

SAIC Debris Estimation

- **The U.S. Army Corps of Engineers debris estimating model.** This is a widely used model that takes into account factors such as hurricane category, population base, amount of vegetative cover, etc.
- **Drive-by parcel survey.** This survey estimates the average quantity of debris per parcel and multiplies the debris per parcel figure by the total number of parcels (residential, commercial, or both) in the applicable jurisdiction.
- **Flyover.** The flyover is used to determine whether the debris field is isolated in certain areas or spread throughout the entire jurisdiction.
- **Personal estimates.** SAIC staff and debris contractors who are experienced in disaster recovery efforts will perform personal estimates for the City.

Each of these methodologies will be considered when developing an estimated debris volume for the City.

Critical Infrastructure Evaluation: If requested, SAIC can provide trained engineers and construction managers to assist the City in evaluating damages to critical infrastructure, including facility and utility systems. SAIC is also prepared to assist with assessing the habitability of structures and with preparing cost estimates for damages and identifying and implementing short-term solutions to facility and utility system issues.

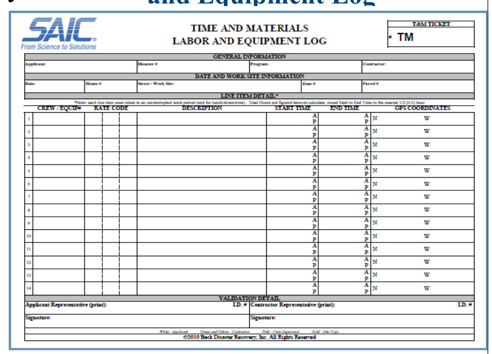
Push Period Assistance

During this phase of debris operations, SAIC is prepared to support the City by monitoring debris contractor crews if the City supplements their staffing to help support emergency relief efforts. We can also offer the City assistance in documentation of City crews during this time period.

The 70-hour push period is the time when debris removal contractors or City crews are charged with clearing blocked roadways for emergency vehicle passage. It is extremely important for the City to coordinate road clearance priorities with FDOT prior to hurricane season to ensure that the City and FDOT are balancing resources and maximizing available FEMA and FHWA funds. If contractor crews are used, the work is generally completed on a time and materials basis during this period. The SAIC team is prepared to assist during the push period by providing the following services:

- Documenting blocked roads that require immediate clearance
- Administering the sign-in and sign-out of labor and equipment to track time and material charges
- Assisting staff with maintaining maps or databases to track road clearance progress and other essential tasks, as requested
- Maintaining documentation for reimbursement of 70-hour push work
- Coordinating with FDOT on road clearance of secondary state roads within the City.

Time and Materials Labor and Equipment Log



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TIME AND MATERIALS
LABOR AND EQUIPMENT LOG

T&M TICKET
TM

GENERAL INFORMATION

Applicant:	Disaster #	Program:	Contractor:

DATE AND WORK SITE INFORMATION

Date:	House #	Street / Work Site:	Zone #	Parcel #

LINE ITEM DETAIL*

*Note: each line item must relate to an uninterrupted work period (end for lunch/down-time). Total Hours not figured here--to calculate, round Start to End Time to the nearest 1/2 (0.5) hour

	CREW / EQUIP#	RATE CODE	DESCRIPTION	START TIME	END TIME	GPS COORDINATES
1				A P	A P	N W
2				A P	A P	N W
3				A P	A P	N W
4				A P	A P	N W
5				A P	A P	N W
6				A P	A P	N W
7				A P	A P	N W
8				A P	A P	N W
9				A P	A P	N W
10				A P	A P	N W
11				A P	A P	N W
12				A P	A P	N W
13				A P	A P	N W
14				A P	A P	N W

VALIDATION DETAIL

Applicant Representative (print): I.D. #	Contractor Representative (print): I.D. #
Signature:	Signature:

White - Applicant Green and Yellow - Contractor Pink - Crew Supervisor Gold - Site Copy

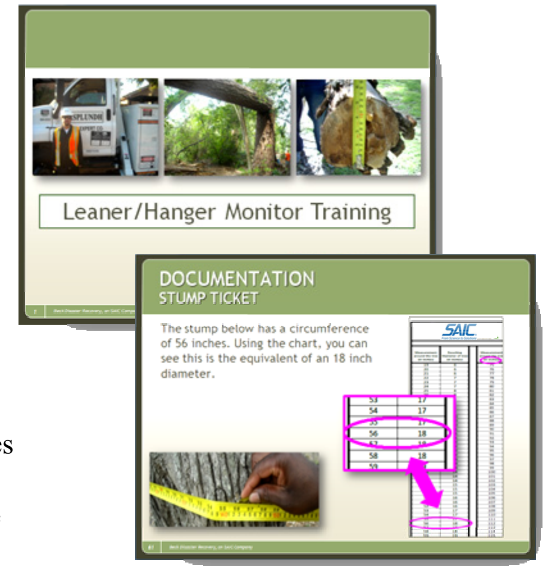
Push Period Assistance Crew

Debris Monitoring

Experience shows us that the peak numbers of staff usually occur within first two to three weeks following an event. Knowing that the local staff will be inexperienced and that the project will grow at a tremendous rate, SAIC has implemented proven processes and procedures to hire local staff rapidly and train them on the necessary skills to maximize reimbursement for the City. Descriptions of our processes, procedures, and training programs used during activation follow.

SAIC Field Monitor Training Program

Maintaining compliance with the Robert T. Stafford Act and FEMA regulations, SAIC gives first priority to using resources located within the disaster area, including but not limited to procuring supplies and equipment, awarding subcontracts, and employing workers. Welcoming the boost that local hires have on the economy, SAIC will hire local residents (when available) to help monitor the debris removal process. These newly hired employees are responsible for the proper documentation of eligible disaster-related debris. The proper documentation of this debris is a crucial step in mitigating issues with federal reimbursement. To properly instruct newly hired employees, SAIC has developed a training program that includes training modules and experienced trainers to teach them. These modules are complete with the information required to facilitate accurate field monitoring.



Leaner/Hanger Monitor

Included in the training modules are qualifying tools to ensure the retention of the material. This will help SAIC select and promote the most qualified personnel for the monitoring task.

Training modules include the following:

- Truck Certification
- Collection Monitor
- Disposal Monitor
- Leaner/Hanger Monitor
- Stump Monitor
- Backfill Monitor
- Project Coordinator
- Field Supervisor

Anti-Fraud Program

Upon completion, a newly hired SAIC monitor is fully educated on his or her monitoring position. Training includes FEMA 327 and 325 guidance, complete documentation for the task, health and safety guidance, and fraud prevention information.

Debris Vehicle Certification

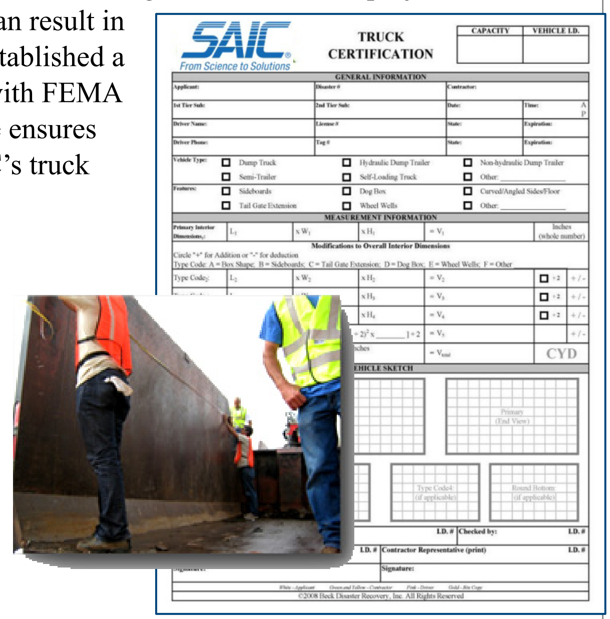
- Table B-2 shows the expected average of daily trucks that the City's debris contractor will deploy based on the stipulated Category 2 Hurricane scenario in the City's solicitation and SAIC's resource requirements tool.

Exhibit B-2: Estimated Debris Contractor Truck Requirement

Average truck loads per day	6
Average truck debris load	35cyds
Total CY	200,000
Estimated CY per day	6300
Average active daily trucks	30

Based on the stipulated Category 2 Hurricane scenario in the City's solicitation, SAIC's resource requirements tool estimates that the project will average 30 trucks daily for collecting debris within the City. This does not include truck turnover (trucks leaving the project, breaking down, etc. These trucks will need to be certified. In order to accommodate this large fleet of trucks in need of certification, SAIC's initial logistical plans will set up truck certification teams at strategic locations throughout the City (most likely at disposal sites). SAIC will be coordinating with the debris hauler to schedule certifications and help prevent bottlenecks. Once the initial fleet has been certified, the teams will dismantle and future certifications will be completed at a centralized location. SAIC will also occasionally assemble a team to spot check trucks that have already been certified. These teams will check for missing sideboards, false bottoms, and any alterations made to trucks after certification.

Debris vehicle certification, or truck certification, is perhaps the most critical element of the monitoring component of a debris removal project because the process establishes a volumetric capacity for each collection vehicle used, many of which deliver hundreds of loads during a debris removal project. Minor errors in truck certification measurement and calculation can result in substantial volumetric and cost discrepancies. SAIC has established a standard methodology for truck certification. Compliant with FEMA 325 and 327 guidelines, our vehicle certification procedure ensures maximum reimbursement for our clients. Aspects of SAIC's truck certification procedure include the following:



Truck Certification

- ***SAIC truck certification form.*** This form includes the latest FEMA guidelines on truck certification documentation and volume calculations and is serialized to prevent duplication.
- ***Special vehicle notations.*** The certification form and vehicle placard includes notations to inform tower monitors of sideboards, tailgates, or other modifications, thus discouraging collection contractors from fraudulently altering vehicles after certification.
- ***Photographs.*** Photographs of vehicles, vehicle cavities, and drivers required.
- ***Periodic spot checks and recertification of trucks.*** These checks pertain to trucks that were potentially altered after initial certification and are part of SAIC fraud prevention plan.

Debris Management Site (DMS) Monitoring

Understanding that debris storage space is limited in the City, SAIC, at the City's request, will aid in the Strategic placement of DMS throughout the City to help maximize workflow and possibly reduce costs (particularly if mileage is part of the debris haulers contract). During the project management planning stage, the City, SAIC, and the City's debris hauler will review previously identified sites and identify additional areas where a DMS may be set up to support the debris that is being removed from the City's right of way.

SAIC's approach to DMS monitoring and support stems from decades of experience in the design and operation of solid waste management disposal facilities. SAIC's experience with state and federal closeout audits influenced the development of a complete and specific approach in the documenting, permitting, and monitoring of DMS locations throughout our client's jurisdictions. Examples of specific approaches relative to DMS monitoring and support are identified below.

DMS Emergency Permitting: SAIC is highly knowledgeable of state and federal emergency permitting guidelines. SAIC routinely serves as the local government's agent (with regulatory agencies) for DMS permitting. As part of SAIC's debris monitoring program management services, SAIC provides federal, state, and local regulatory compliance oversight for all DMS operations. This oversight is to ensure compliance with the National Environmental Policy Act (NEPA) as required by FEMA for federal reimbursement of debris program costs.

SAIC's oversight focuses on site location and permitting of DMS and continues throughout debris hauling, processing, final disposal, and DMS remediation. Specific programs regularly used on projects include the following:

- State environmental solid waste and hazardous waste regulations
- U.S. Army Corps of Engineers 404 wetlands regulations
- National Historic Preservation Act, Section 108 historical preservation regulations
- U.S. Fish and Wildlife Service Section 7 regulations
- Floodplain management regulations

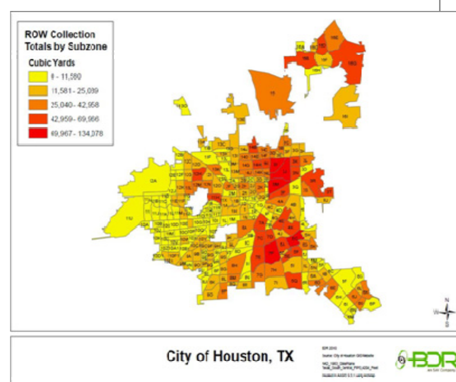
DMS Environmental Monitoring: For the duration of the project, SAIC will gather data for use in the remediation and close-out of DMS locations. Collected data will be compared to previous data to establish any remediation actions necessary to return the site to its original state. A critical role of SAIC is to serve as the liaison between the City, the City's debris hauler, and the Florida Department of Environmental Protection (DEP). Coordinating communication between the three agencies and verifying use of proper data is crucial to resolving issues that may prevent the use or closure of a DMS. The following items are typically included in an environmental monitoring program:

- ***Sketches of site operations.*** During the course of the project, operations at the DMS locations may expand, condense, or shift. Changes to the site will be documented along with the locations of debris reduction activity. The sketches and documentation will assist in determining areas of concern that may need additional sampling and testing during site closure.
- ***Documentation of issues at the site.*** Records will be kept documenting issues such as petroleum spills, hydraulic spills, or the discovery of household hazardous waste (HHW) within debris at any DMS. This documentation will assist in the remediation of the site.

- ***Photo documentation of the site.*** When possible, the sketches of site operations and the documentation of site issues will be accompanied by photos. Photos will also be taken weekly to show the progression of the site from beginning to end.

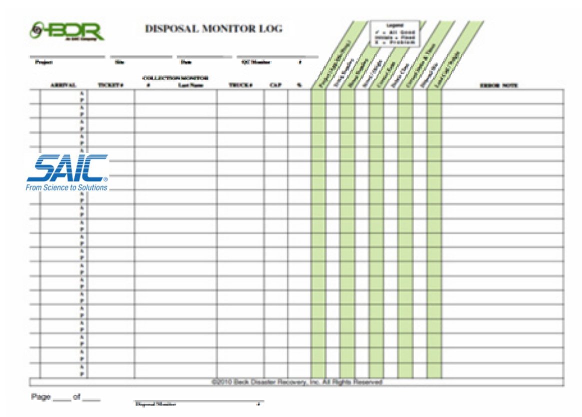
DMS Disposal Monitoring: SAIC will provide a minimum of two disposal monitors per DMS tower. Staffing typically increases with an extra disposal monitor per 100 loads of debris that is directed to the DMS in a day. These staffing numbers may also increase or decrease depending on site layout. SAIC's focus is to ensure DMS workflow passes through the DMS and documentation remains accurate and complete. DMS operations generally coincide with daylight hours, but special circumstances may require the site to stay open past dusk. SAIC is prepared to provide 24-hour monitoring and understands that proper lighting must be provided to make load calls. Specific responsibilities of SAIC DMS monitors include:

- ***Eligible and ineligible disaster debris.*** As loads enter the site, SAIC disposal monitors verify that the debris entering the site is eligible under FEMA 327 and 325 guidelines. SAIC disposal monitors also verify that the debris is eligible to be accepted at that particular DMS and when it isn't diverting the load to the properly permitted disposal site.



- ***Debris classifications.*** SAIC disposal monitors verify that the debris entering the site is being segregated into its proper classification and marked appropriately on a load ticket. SAIC disposal monitors will also verify that the debris classifications are eligible in the municipality's debris contract.
- ***Load calls (percentage full).*** SAIC will maintain consistent and accurate load calls throughout the project and throughout the TDSR sites. SAIC uses an internally developed "Load Call Conversion Chart" and extensive training to obtain this consistency and accuracy in load calls.

Disposal Monitor Log



- ***Documentation***. The SAIC documentation process creates a paper trail which helps the City receive maximum reimbursement and avoid issues that cannot be justified during an audit. Documentation includes the following:
- ***Load ticket***. The load ticket is used to document debris removal.
- ***Disposal monitor log.*** The disposal monitor log is used as backup documentation for written debris tickets.
- ***Zone map.*** These are maps of a specific work area within the entire project's limits. These maps also include separations between municipality, FHWA, private, and orphan roads.
- ***Incident report.*** The incident report is used to document anything out of the ordinary while monitoring at the DMS, including property damage, arguments, and personal injury.
- ***Daily log.*** The daily log is used to document a monitor's hourly work.

- ***Photographic documentation.*** SAIC disposal supervisors will photo-document a DMS weekly in order to create a visual timeline of the site. These photos will help resolve any issues that may arise with DEP at site closure. SAIC will also use photos of loads and or spot photos if contractually obligated. ***QA/QC of field tickets.*** Disposal monitors must review and correct errors made by collection monitors in the field.
- ***Contractor equipment.*** SAIC disposal monitors will only allow debris contractor trucks to leave the DMS if they are completely empty of the debris that was hauled to the site. Debris contractors must obtain a visual inspection of their trucks before leaving the site. This keeps the debris contractors from being paid twice for the same material.
- ***SAIC disposal supervisors.*** When multiple DMS are operating, SAIC will implement a disposal supervisor to all the sites. Disposal supervisors are experts in all aspects of disposal monitoring and are constantly verifying and training the disposal monitors stationed at the sites. Disposal supervisors tasks include but are not limited to the following:
  - Verify load calls are accurate and consistent.
  - Verify load tickets are filled out accurately and neatly with a QA/QC of all the tickets written.
  - Settle arguments with debris haulers when debris haulers contest a load call. Debris haulers are not allowed to argue directly with a disposal monitor. This practice prevents disposal monitors from being intimidated on future load calls.
  - Collect and organize load tickets and provide them to designated SAIC staff.
- ***Fraud prevention.***_ Several SAIC practices are used at DMS locations to prevent debris haulers from committing fraud. SAIC disposal monitors or supervisors will occasionally recertify a previously certified truck at random. Spot testing the truck certifications helps verify that the original work was accurate and that nothing was changed since certification. Issues identified when re-certification takes places are listed below:
  - Removing sideboards or tailgates
  - Truck placard tampering
  - False bottoms added

  An industry leading practice of SAIC is to post signs at every disposal tower offering a $5,000 reward if information given leads to the arrest and conviction of persons committing listed fraudulent activities. Due to SAIC's commitment to fraud prevention, the SAIC fraud hotline number is available even after a project is completed.
- ***Safety***. SAIC is always concerned for the safety of monitors, especially at a DMS that has loose debris and heavy equipment. SAIC monitors are required to strictly follow Occupational Safety and Health Administration (OSHA) guidance. Every SAIC project has a specific health and safety plan (H&SP) to help ensure that best practices are being followed. This plan will list specific hazards the DMS will have. Along with an overall H&SP, SAIC also implements "daily tailgate meetings" to remind employees of potential hazards that may be new that day and remind them of existing hazards.
- ***DMS security.*** SAIC is also prepared to provide security at DMS sites when not in operation.

Public Drop-Off Site Operations: SAIC is prepared to provide site supervision (at levels directed by the City) for any public drop-off sites that the applicant may elect to open. Residential drop-off site services routinely provided by SAIC include site permitting, traffic support, address verification (eligibility determination) and recording, general customer service functions, and site closure and security.

Market Assistance: SAIC staff is uniquely familiar with disposal and recycling markets throughout the country. During recent storm seasons, SAIC assisted a number of our clients in evaluating proposals by collection contractors on proposed outlets for storm debris residuals.

Other DMS Support Services: SAIC is prepared to assist the City with any other DMS services that may be required including traffic support (that is, flaggers) and after-hours site security.

Daily Field Monitor Operations

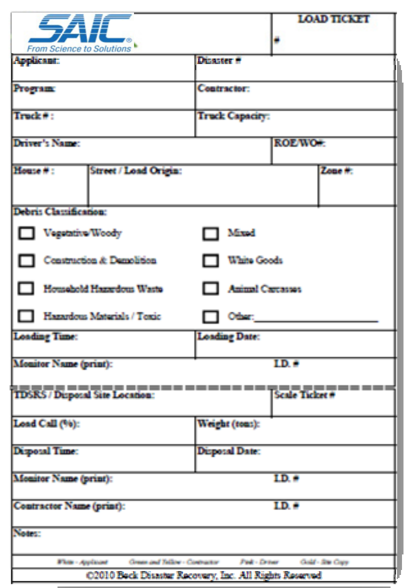
The National Incident Management Systems (NIMS) and Incident Command System (ICS) are integral to successful emergency management operations. During the first two weeks of activation, the project will be fully staffed consistent with NIMS and ICS protocols for incident management where the span of control does not exceed more than five subordinates to one supervisor. This will ensure proper training is implemented and quality control is maintained. As the project progresses and operations begin to stabilize, this ratio will be expanded to seven subordinates to one supervisor to maintain cost efficiency.

The bullets below highlight some of the various aspects of the SAIC team's debris removal program.

- Collection monitors report to a staging location prior to the field operations briefing given by the project manager or field supervisors and the distribution of safety gear (for example, caution lights or safety vests), map books, and debris tickets. Strict records are kept of the debris ticket numbers assigned to specific monitors, allowing for easy tracking in the event of alleged fraud.

- A collection monitor is assigned to approximately three trucks with one loading unit. As operations continue and trucks spread out within collection zones,, the ratio of monitor to trucks will likely increase in order to efficiently collect scattered debris because there are fewer trucks used per loading unit for mobility purposes.

- A collection field supervisor will be assigned to approximately 7 monitors. SAIC has found this to be an appropriate ratio that allows field supervisors to routinely interface and perform QA/QC checks with field monitors throughout the day. Traffic issues within the City must be considered when deciding the appropriate ratio of monitors to field supervisors. Responsibilities of the field supervisor include verifying load ticket accuracy and responding to collection monitor and debris contractor issues in the field.



SAIC From Science to Solutions

LOAD TICKET #

Applicant:	Disaster #
Program:	Contractor:
Truck # :	Truck Capacity:
Driver's Name:	ROE/WO#:
House # : Street / Load Origin:	Zone #:

Debris Classification:

- ☐ Vegetative/Woody ☐ Mixed
- ☐ Construction & Demolition ☐ White Goods
- ☐ Household Hazardous Waste ☐ Animal Carcasses
- ☐ Hazardous Materials / Toxic ☐ Other:____________

Loading Time:	Loading Date:
Monitor Name (print):	I.D. #
TDSRS / Disposal Site Location:	Scale Ticket #
Load Call (%):	Weight (tons):
Disposal Time:	Disposal Date:
Monitor Name (print):	I.D. #
Contractor Name (print):	I.D. #
Notes:	

White - Applicant Green and Yellow - Contractor Pink - Driver Gold - Site Copy

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Load Ticket

- Field monitors will verify the proper loading of debris into the debris recovery contractor's certified loading container. Monitors will document that contractors and their subcontractors adhere to local, state, and federal regulations and that they are working in an efficient and safe manner, surveying their assigned areas for special programs (for example, stumps and leaners/hangers). Field monitors often notate inconsistencies with debris removal procedures and submit them to their supervisors.

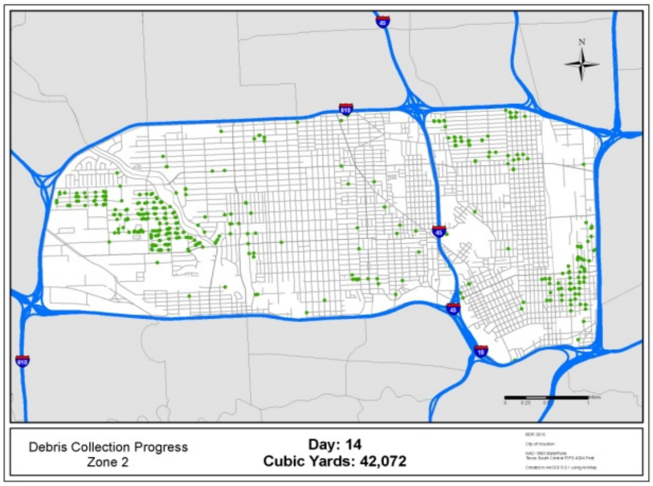
These include “cherry picking” (skipping over smaller piles to select larger ones), safety concerns, and property damage. If a debris monitor feels there is justifiable need to stop operations, the monitor is instructed to refrain from issuing a ticket until both the debris hauler supervisor and an SAIC supervisor can be called in to determine appropriate action.

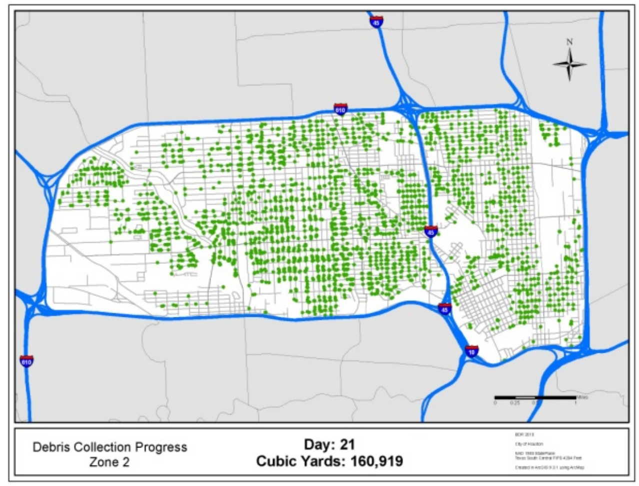
- The operations manager is responsible for the overall logistics of operations including dispatching monitors, coordinating with the debris contractor for appropriate resources, providing a schedule of pickup locations to be used by the City’s public relations department, coordinating work with on-site FEMA representatives, and working with SAIC GIS personnel to track locations that are undergoing or have already gone though debris cleanup.
- The SAIC team will coordinate with the contractor’s project manager to provide an estimate on the number of monitors that will be required for the following day. This will allow time for the SAIC team to schedule the appropriate number of collection monitors.
- At the close of operations each day, all collection and disposal monitors will report to the staging area to turn in all completed tickets, update the master map book showing street areas cleared of debris on that particular day, and report any inconsistencies or problems that occurred during the day.

First Pass Completion

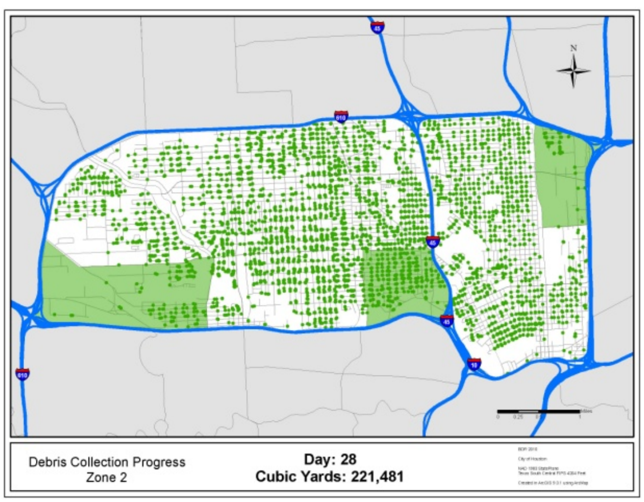
SAIC has developed project process and procedures that track locations which have gone and are undergoing debris pickup. SAIC uses Geographic Information System (GIS) software integrated with RecoveryTrac, SAIC’s own proprietary database management software in conjunction with field controls, to report, track, and display debris removal progress on a daily basis. Several processes are conducted to efficiently achieve this objective beginning with the identification of debris removal zones. The entire disaster affected area is divided into smaller working “zones” in order to efficiently conduct debris removal operations. SAIC recommends the use of the current City Commissioner district boundaries for tracking City debris removal progress.

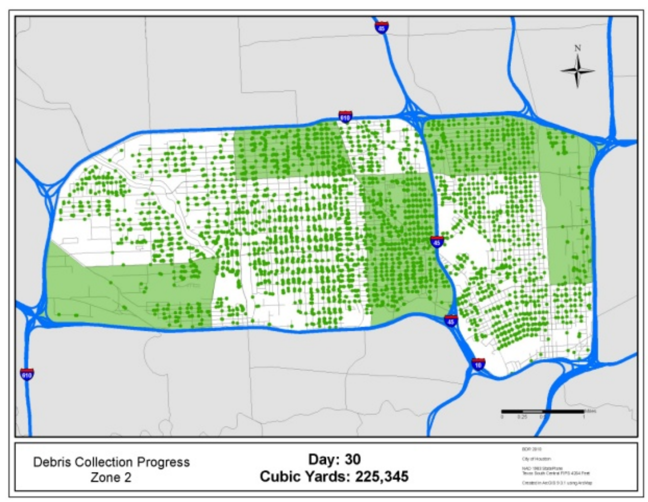
The debris removal zones are assigned daily to both the debris contractor and collection monitor by an SAIC Operations Manager. Collection monitors will verify that debris contractors are collecting debris in their assigned areas via debris removal zone maps. A load ticket will be written and issued for each truck load of debris that is removed and transported to a disposal site. These load tickets are then entered into SAIC’s GIS integrated RecoveryTrac database. Each load ticket is processed through a method called geo-coding and then analyzed for address errors, funding sources, and fraudulent activity. Once the ticket is determined to be error free it will be plotted through an automated process for display in a centralized online web mapping application. As removal operations move forward, daily updates will show progress throughout the affected area.





SAIC collection monitors are also responsible for documenting any debris piles that a debris contractor skips no matter the size. "Cherry picking" is term used when a debris hauler moves down a street and only removes piles of debris that are large enough to significantly fill their truck and skips over the smaller piles. If a collection monitor feels there is justifiable need to stop operations due to this practice, the monitor is instructed to refrain from issuing a ticket until both the debris hauler supervisor and an SAIC supervisor notified to determine appropriate action.





The debris removal process is broken down into phases that are known as "passes". The 1st pass is the initial removal of debris on individual roads or within a zone and is usually within the first three or four weeks following commencement of debris removal operations. Second pass is when debris haulers go back through on the same individual roads or zones and remove additional debris piles that were placed on the right-of-way after the first pass. Subsequent passes work the same way. When first pass is reported to be completed, the SAIC Operations Manager will task the field supervisor assigned to that area to visually inspect and verify that the zone is complete. Only when physically verified will the zone or subzone be displayed as having a pass complete.

Once all subzones are complete the zone is considered complete for first pass. This process will replicate itself for additional passes if necessary.

FHWA / FEMA reimbursement

SAIC uses the same GIS geo-coding software shown above to determine and separate debris loads that are eligible for FHWA-ER funding from loads that are to be reimbursed by FEMA. As first pass operations are ongoing throughout the city, loads of debris are geo-coded and separated into the appropriate reimbursement pool. The City will receive daily reports and maps showing the progression of first pass and color coded debris loads by funding source.

Quality Assurance/Quality Control Program

The vast majority of ticket errors occur within the first few weeks of the initiation of a debris removal program. As such, SAIC assigns QA/QC staff to each DMS tower with the sole responsibility of reviewing tickets, contacting supervisors, and loading site monitors immediately after errors are identified. This process serves three very important purposes: (1) it allows SAIC to quickly rectify ticket errors by getting the correct information immediately, (2) it provides instant feedback to loading site monitors, thereby reducing errors that would otherwise be made throughout the day (until such time as tickets are reviewed), and (3) it allows SAIC to track monitor performance and terminate those monitors that make repeat errors.

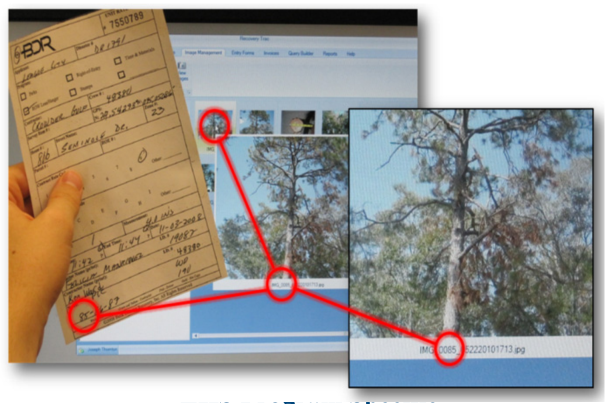
Hazardous Tree Removal

Pursuant to FEMA 327 and 325 guidance, hazardous tree and dangerous hanging limb removal may be eligible for reimbursement under the PA program. Since the 2004 and 2005 hurricane seasons, leaning trees, hanging limbs, and hazardous stumps (LHS) debris removal programs have been the target of increased scrutiny by FEMA and the Office of the Inspector General field staff and auditors. Several disaster-specific guidance (DSG) documents and revisions to FEMA 325 have set forth documentation standards that include GPS coordinates and photographs. LHS programs are often extremely costly and if not managed correctly, can expose the City to financial liabilities.

The SAIC team is committed to achieving a balance with the City's debris hauling contractor to ensure that documentation consistent with FEMA 327 and 325 is created without stopping or slowing down work in the field. Whether the work occurs on public right of ways, City parks, or waterways, the SAIC team will provide experienced personnel that understand the documentation guidelines and are sensitive to the operational needs of the City and contractors.

	Leaner	▪ Capture location of the hazardous tree by GPS coordinate and address. ▪ Photo document the tree prior to the commencement of work showing either a 30 percent lean (not natural), exposed heartwood, or de-crowning. ▪ Photograph the diameter of the tree at chest height. ▪ Photo document the flush cut stump upon completion of the work. ▪ Document the completion of the scope through a unit rate ticket.
	Hanger	▪ Capture location of the tree containing a hazardous hanger by GPS coordinate and address. ▪ Photo document the tree showing the hazardous hanger prior to the commencement of removing hangers.

		▪ Photograph the diameter of the removed hanger, proving eligibility. ▪ Photo document the tree no longer containing the hanger upon completion of the work. ▪ Document the completion of the scope through a unit rate ticket.
	Stump	▪ Document FEMA's pre-approval for the removal of an eligible stump. ▪ Capture location of the stump being removed by GPS coordinate and address. ▪ Photo document the stump prior to the commencement of its removal. ▪ Photo document the area around the stump to show the validity of any residential damage claims. ▪ Photograph the diameter of the stump at 24 inches. ▪ Photo document that the stump no longer exists and that necessary backfill is completed. ▪ Document the completion of the scope through a unit rate ticket.



Maintaining compliance with specific FEMA 327 and 325 photo documentation guidelines and increasing efficiency, SAIC has developed software specific to the LHS programs. This software is designed to manage photo documentation by compressing and securely storing the photos so they are ready for field validations and audit.

Inland Waterways

The SAIC team has worked extensively with drainage districts to remove hazards from waterways, bayous, and streams. Following Hurricane Wilma, SAIC assisted Collier County, Monroe County. Inland waterway debris removal is important for the City recovery efforts as they reduce flooding risks by restoring proper watershed. Key elements of an inland waterway debris removal effort include the following:

- Identification of the appropriate funding source (that is, FEMA or NRCS) and documentation of legal authority to fund debris removal operations
- Review of maintenance records
- Development of a scope of work and site-specific operations plan
- Documentation of the scope of work to substantiate FEMA or NRCS funding
- If necessary, staff will secure the necessary boat(s) meeting the state's minimum requirements, including all U.S. Coast Guard (USCG) safety equipment. Staff will also utilize GPS to enhance navigational accuracy for documentation purposes.

Seaweed Removal

As a storm passes seaweed tends to pile up on stretches of beaches. Because these beaches have high visibility for long stretches monitors are able to view multiple loading devices and distribute load tickets to multiple trucks. This decreases the ratio of monitors to loading equipment considerably.

Private Property Debris Removal

FEMA and the Office of Emergency Management (OEM) have authorized conditional private property debris removal (PPDR) programs in previous events. The SAIC team has administered several PPDR programs in recent history, including programs for New Orleans, LA; Terrebonne Parish LA; Escambia County, FL; Galveston, TX; and Pensacola, FL. With experience managing several of the largest PPDR efforts in the United States, the SAIC team understands the tremendous amount of public information outreach necessary to make a PPDR program successful. SAIC also understands the historical considerations that must be made when coordinating private property debris removal and demolitions. Following Hurricane Katrina, SAIC worked closely with the conservation community in New Orleans, including the Historic District Landmark Commission and the Neighborhood Conservation District Commission to salvage items of historical significance from over 400 homes that were destroyed. Although a future PPDR program may not be approved by FEMA and OEM or authorized by the end user, deliverables would include the following:

- Obtaining PPDR approval from FEMA and OEM
- Organizing a public information campaign to determine public interest and obtain support from the public
- Coordinating the salvage of historically significant items with the KWAHS
- Confirming the ordinance governing authority to enter private property and execute the right-of-entry (ROE) agreement with the property owner
- Developing a site-specific operations and hazard analysis plan
- Documenting the scope of work and property closeout

Damage Resolution

Damages resulting from contractor debris removal efforts are inevitable in a debris removal effort. SAIC has developed a system to track and help the City or end users manage contractor damages. This system is driven by the following components:

Educated Field Staff: Safety is a large part of our field monitor training. Our monitors will immediately report contractor violations to their supervisors in order to minimize any unnecessary damage to public or private property.

Field Incident Reports: It is critical that damages are documented at the point of damage. SAIC's field monitors are equipped with incident reports that document damage to public and/or private property. By documenting the damage in the field at the point the damage occurs, SAIC is able to secure the signature of the responsible party and avoid reactionary finger pointing.

Database Damage Claims: SAIC's damage tracking database establishes each damage complaint as a case file that includes pertinent contact information for the involved parties, a record of contact between the debris removal contractor and private property owner, and any other pertinent resolution information.

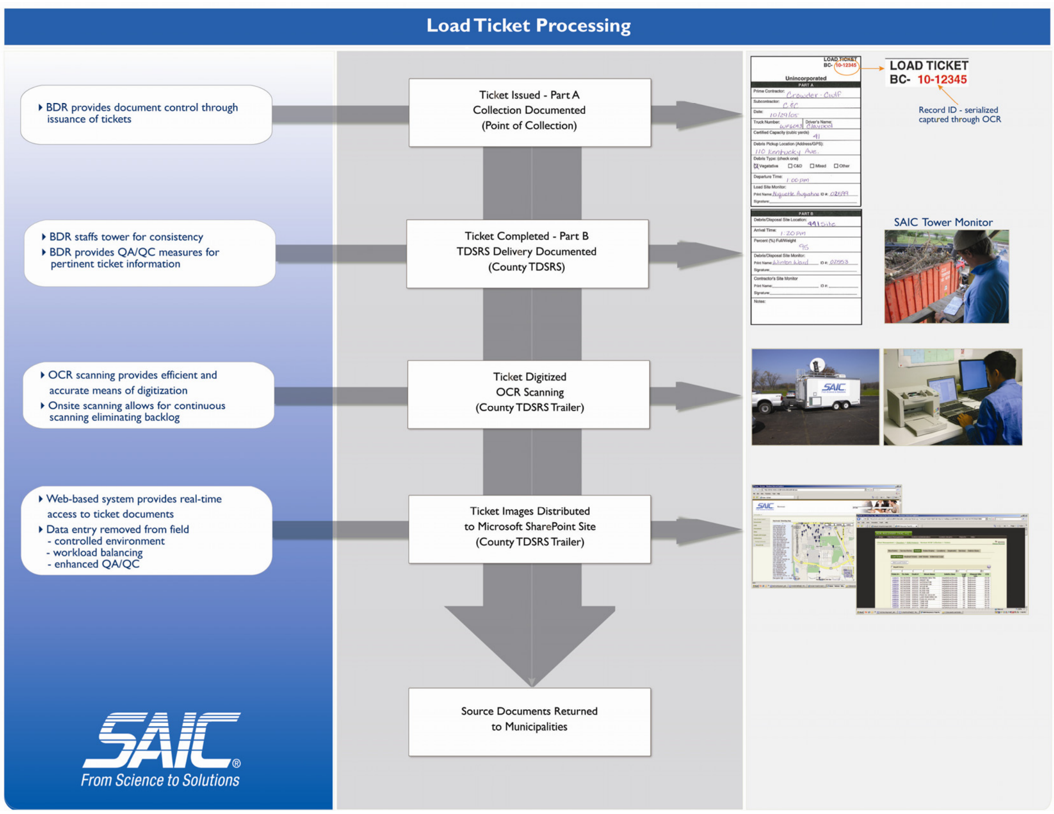
Claim Resolution: In most cases, SAIC is successful in assisting with a negotiated settlement between the property owner and debris removal contractor. It is critical that this resolution is documented and attested to by both parties to ensure that a record of resolution is established and entered into the database.

Retainage Withholding Report: During the project closeout process, SAIC will submit a retainage withholding report to the City providing a listing of unresolved damage claims. In instances where the debris removal contractor is unsuccessful in reaching a resolution to a damage claim, the City will be prepared to withhold the necessary payment to the contractor to resolve the matter between the homeowner and debris removal contractor.

Data Management/Ticket Processing

SAIC has administered and managed nearly 2.5 million field documents associated with debris removal efforts. In order to manage the vast number of field documents generated during a debris removal operation, SAIC has invested heavily in optical character recognition scanning technology and information technology infrastructure through its wide area network.

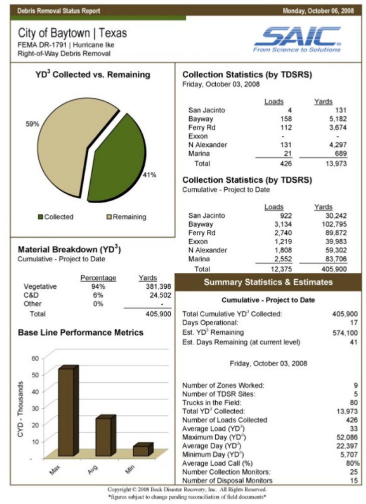
Exhibit B-3: Load Ticket Processing



Reporting

Reports and Website Management: Information is one of the most critical elements of a debris removal operation. SAIC's daily reporting system will provide the City with daily and cumulative statistics, including the following:

- Number of operating collection vehicles
- Total loads and CY collected per DMS by debris type
- Total loads and CY collected per contractor by debris type
- Average truck size per contractor
- Number of participants at public drop-off sites



Debris Removal Status Report — Monday, October 06, 2008

City of Baytown | Texas
FEMA DR-1791 | Hurricane Ike
Right-of-Way Debris Removal

SAIC From Science to Solutions

YD^3 Collected vs. Remaining

Collection Statistics (by TDSRS)
Friday, October 03, 2008

	Loads	Yards
San Jacinto	4	131
Bayway	158	5,182
Ferry Rd	112	3,674
Exxon	-	-
N Alexander	131	4,297
Marina	21	689
Total	426	13,973

Collection Statistics (by TDSRS)
Cumulative - Project to Date

	Loads	Yards
San Jacinto	922	30,242
Bayway	3,134	102,795
Ferry Rd	2,740	89,872
Exxon	1,219	39,983
N Alexander	1,808	59,302
Marina	2,552	83,706
Total	12,375	405,900

Material Breakdown (YD^3)
Cumulative - Project to Date

	Percentage	Yards
Vegetative	94%	381,398
C&D	6%	24,502
Other	0%	-
Total		405,900

Base Line Performance Metrics

Summary Statistics & Estimates

Cumulative - Project to Date

Total Cumulative YD^3 Collected:	405,900
Days Operational:	17
Est. YD^3 Remaining	574,100
Est. Days Remaining (at current level)	41

Friday, October 03, 2008

Number of Zones Worked:	9
Number of TDSR Sites:	5
Trucks in the Field:	80
Total YD^3 Collected:	13,973
Number of Loads Collected	426
Average Load (YD^3)	33
Maximum Day (YD^3)	52,086
Average Day (YD^3)	22,397
Minimum Day (YD^3)	5,707
Average Load Call (%)	80%
Number Collection Monitors:	25
Number of Disposal Monitors	15

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figures subject to change pending reconciliation of field documents

Sample Daily Report

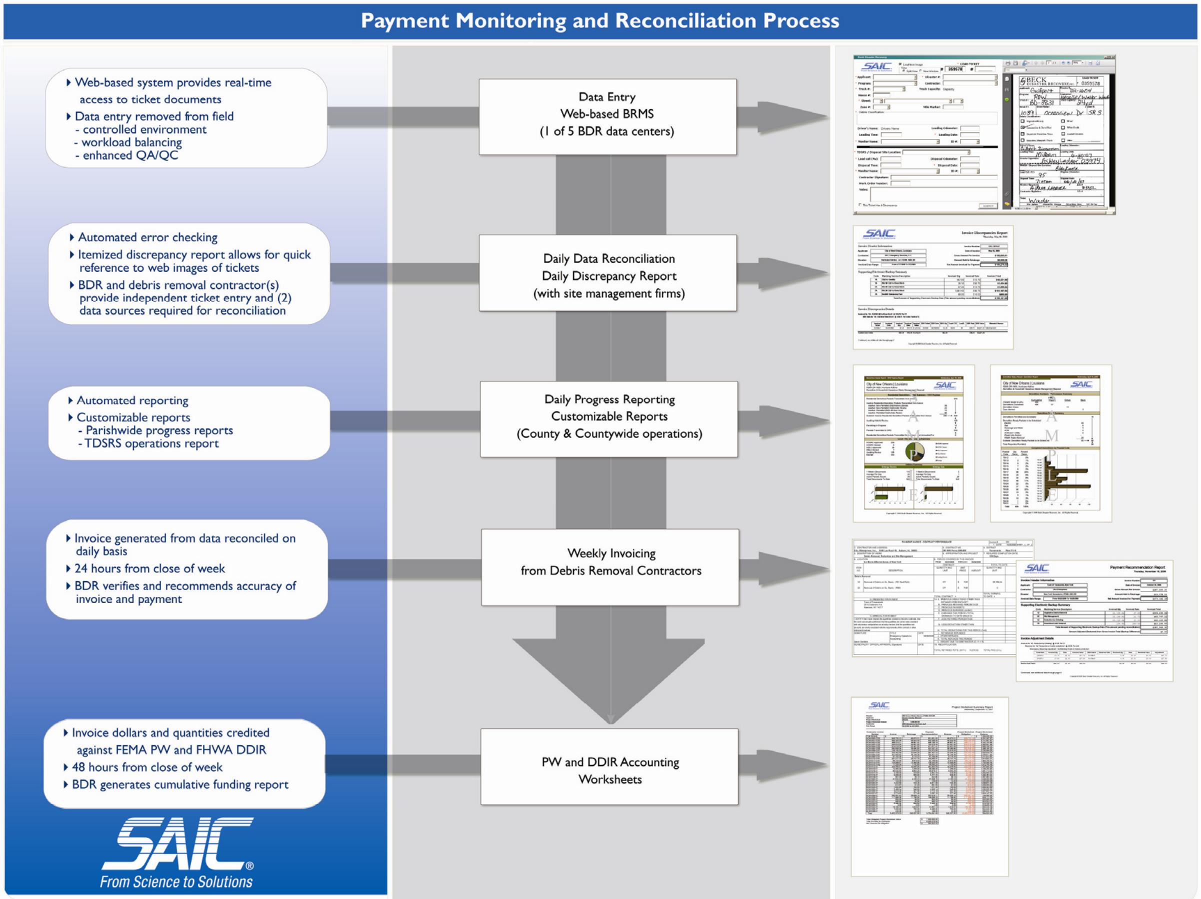
Payment Monitoring and Reconciliation Process

SAIC has administered and accounted for nearly $1.6 billion of federal reimbursement dollars. As such, SAIC has invested heavily in its Structured Query Language (SQL) database to provide automated invoice reconciliation, payment recommendation reports, and various financial reports.

- For invoice reconciliation, SAIC electronically and physically date stamps the invoices once they are received. An SAIC database query is run that performs a ticket-by-ticket comparison of the SAIC's Recovery Trac™ database versus the contractor's invoice supporting documentation. Recovery Trac™ generates a report that shows where the two data sets agree, disagree, or have missing information. An SAIC data analyst is tasked with pulling all tickets in question and making a determination of the required corrective action. A pre-approval report summarizing all tickets that match or pass the reconciliation process is forwarded to an SAIC financial analyst. The SAIC financial analyst will be familiar with the terms and conditions of the City's contract with the debris contract hauler and ensure all submitted invoices meet contract requirements. To the extent that tickets still in dispute are less than the contractor's retainage, the invoice less the retainage is approved for payment. The SAIC staff member in charge of invoicing then prepares a letter to the City's representative responsible for invoice payment, recommending payment of the invoice. Following invoice approval, an extensive process to evaluate tickets that differ in the SAIC and contractor databases is performed. This typically requires significant communication between SAIC and contractor staff to resolve discrepancies. After all discrepancies are resolved, SAIC sends a follow-up letter to the City recommending the amount of retainage to be released. Finally, an SAIC invoicing specialist performs an audit of the materials in the invoice file to ensure that the file is complete.

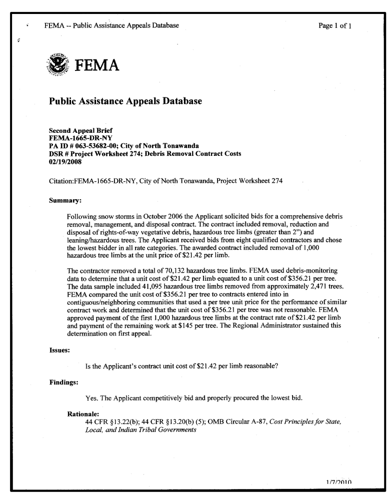
SAIC's proprietary database allows the City to track the impact payment approvals made on obligated FEMA project worksheets and City purchase orders (PO). This allows the City to effectively plan for PO adjustments and the need to generate adjustment project worksheets.

Exhibit B-4: Payment Monitoring and Reconciliation Process



SAIC's Responsiveness, Project Follow-up, and Project Closeout Support

SAIC's commitment to our clients is one of the qualities that we are most proud of. From rapid mobilization to ongoing project consultation, closeout, appeal, and audit support months or years after the last piece of debris is removed, we stand by our work. We will work to ensure that maximum available reimbursement will be obtained, and retained once the City's projects are closed out. SAIC's track record exemplifies this commitment. In 2007, SAIC successfully assisted the Town of North Tonawanda in winning a second appeal on the basis of reasonable cost, thus obtaining an additional $800,000 in funds that were previously deemed ineligible.



FEMA -- Public Assistance Appeals Database Page 1 of 1

FEMA

Public Assistance Appeals Database

Second Appeal Brief
FEMA-1665-DR-NY
PA ID # 063-53682-00; City of North Tonawanda
DSR # Project Worksheet 274; Debris Removal Contract Costs
02/19/2008

Citation:FEMA-1665-DR-NY, City of North Tonawanda, Project Worksheet 274

Summary:

Following snow storms in October 2006 the Applicant solicited bids for a comprehensive debris removal, management, and disposal contract. The contract included removal, reduction and disposal of rights-of-way vegetative debris, hazardous tree limbs (greater than 2") and leaning/hazardous trees. The Applicant received bids from eight qualified contractors and chose the lowest bidder in all rate categories. The awarded contract included removal of 1,000 hazardous tree limbs at the unit price of $21.42 per limb.

The contractor removed a total of 70,132 hazardous tree limbs. FEMA used debris-monitoring data to determine that a unit cost of $21.42 per limb equated to a unit cost of $356.21 per tree. The data sample included 41,095 hazardous tree limbs removed from approximately 2,471 trees. FEMA compared the unit cost of $356.21 per tree to contracts entered into in contiguous/neighboring communities that used a per tree unit price for the performance of similar contract work and determined that the unit cost of $356.21 per tree was not reasonable. FEMA approved payment of the first 1,000 hazardous tree limbs at the contract rate of $21.42 per limb and payment of the remaining work at $145 per tree. The Regional Administrator sustained this determination on first appeal.

Issues:

Is the Applicant's contract unit cost of $21.42 per limb reasonable?

Findings:

Yes. The Applicant competitively bid and properly procured the lowest bid.

Rationale:
44 CFR §13.22(b); 44 CFR §13.20(b) (5); OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*

1/7/2010

City of North Tonawanda, NY
Second Appeal Brief

Table B-3 summarizes SAIC's responsiveness during mobilization, project work, and project closeout. SAIC has consistently deployed large-scale mobilizations of hundreds of staff and thousands of dollars worth of equipment in a matter of days on very short notice. Our staff of industry experts has applied the necessary project controls to efficiently document and complete field work and provided follow-up support, including appeal development and closeout audit support after the completion of field work.

SAIC encourages the City to inquire about our commitment, quality of work, and responsiveness when contacting our references.

Exhibit B-5: Summary of SAIC's Responsiveness, Follow-up, and Project Closeout Support

Event	# of SAIC Projects	Staff Mobilized	Mobilization Period	Project Period	Project Completion Follow-up
Hurricane Charley (2004) FEMA-1539-DR	2	150	3 days	12 months	FEMA closeout support, 2005
Hurricane Frances (2004) FEMA-1545-DR	2	75	2 days	60 days	FEMA closeout support, 2005
Hurricane Ivan (2004) FEMA-1551-DR	3	600	5 days	2 years	FEMA/FHWA/OIG/state appeal, audit, and closeout support, 2006-2009
Hurricane Jeanne (2004) FEMA-1561-DR	2	50	2 days	60 days	FEMA closeout support, 2005
Hurricane Dennis (2005) FEMA-1595-DR	5	250	5 days	90 days	FEMA closeout support, 2005
Hurricane Katrina (2005-2008) FEMA-1602-DR FEMA-1603-DR FEMA-1604-DR	11	500	14 days	4 years	FEMA/FHWA/state appeal, audit, and closeout support, 2006-2010
Hurricane Rita (2005) FEMA-1606-DR	3	200	7 days	45 days	FEMA/FHWA/state closeout support, 2006
Hurricane Wilma (2005) FEMA-1609-DR	17	1,500	14 days	12 months	FEMA/FHWA/state appeal, audit, and closeout support, 2006-2010
Buffalo Snow Storms (2006) FEMA-1665-DR	20	250	5 days	90 days	FEMA/FHWA/state appeal, audit, and closeout support, 2007
Missouri Severe Winter Storms (2007) FEMA-1676-DR	3	200	7 days	120 days	FEMA appeal and closeout support, 2007
Oklahoma Severe Winter Storms (2008) FEMA-1735-DR	1	150	7 days	120 days	FEMA closeout support, 2007
Hurricane Dolly (2008) FEMA-1780-DR	30	150	5 days	90 days	FEMA/FHWA/state appeal, audit, and closeout support, 2008-2009
Hurricane Gustav (2008) FEMA-1786-DR	7	250	5 days	2 years	FEMA/FHWA/state audit and closeout support, 2008-2010
Hurricane Ike (2008) FEMA-1791-DR	74	3,200	10 days	2 years	FEMA/FHWA/state appeal, audit, and closeout support, 2008-2010

Event	# of SAIC Projects	Staff Mobilized	Mobilization Period	Project Period	Project Completion Follow-up
Arkansas Severe Winter Storms (2009) FEMA-1819-DR	2	100	5 days	90 days	FEMA closeout support in progress
Oklahoma Severe Winter Storms and Tornados (2010) FEMA-1876-DR FEMA-1917-DR FEMA-1926-DR	2	25	3 days	60 days	FEMA closeout support in progress

SECTION B – PROPOSER'S TECHNICAL APPROACH/GENERAL OPERATIONS PLAN

TRAINING MANUALS

From Science to Solutions

COVER PAGE

Training Manual
PROPRIETARY AND CONFIDENTIAL

The BDR[1] Division of Science Applications International Corporation

BDR Division Office
2301 Lucien Way, Suite 120
Maitland, FL 32751
Phone: (321) 441-8500
Fax: (321) 441-8501

SAIC has provided the attached training manuals as part of our submittal to the County. In addition to the training manuals, SAIC provides interactive training modules as part of the SAIC employee screening and functional training. The interactive modules include situational awareness lessons, address safety concerns, and include multiple short quizzes to test the applicants understanding of the material. SAIC will present the training modules to interested County staff, at no cost to the County, upon execution of the stand-by contract between SAIC and the County.

[1] *BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The training manual presented here was utilized by BDR prior to the acquisition.*

From Science to Solutions

TRAINING MANUAL

TRUCK CERTIFICATION

BDR™

TRUCK CERTIFICATION MANUAL

You have been selected to be a part of Beck Disaster Recovery, Inc. (BDR). BDR expects your involvement to be a true reflection of our team effort and requires you to uphold the high standards of ethics and conduct that have earned BDR. an excellent reputation in the disaster recovery industry. Our primary focus is to assist (Municipality) in recovering from this disaster while employing local residents to spearhead the recovery of their own community. The goal of our effort is to help (Municipality) realize the maximum amount of qualified federal funding available for (Disaster) recovery effort.

Purpose

Truck certification is a critical component to the disaster debris monitoring process. Certifying the capacity of a hauling vehicle becomes the certified capacity to which a load percentage is applied when determining the amount a contractor is paid for the load. In other words, guaranteeing the amount a full truck can hold is an important part of the collection process.

All trucks must be accurately measured, certified and clearly labeled before beginning any work hauling debris. Beck Disaster Recovery, Inc. (BDR) field inspectors, as client representatives (City/County), are responsible for measuring trucks and placing placards on the trucks identifying the determined capacity.

Key Positions

Those responsible for Truck Certification must be analytically-inclined. The calculation of volumes, while relatively straightforward, can be challenging at times. For this reason, great care should be used in the selection of personnel serving in this role. It is best to assign one or two persons to supervise the truck certifications rather than having different people do it. They must have been trained in how to efficiently and accurately certify a truck.

Key Positions

Position	Description
Certification Supervisor	Responsible for managing/performing truck certification, preparation and quality control of all site specific truck certifications, interfacing with the client and debris removal contractors on an as needed basis, resolving issues on the site, coordinating schedules with Disposal Manager. The Certification Supervisor should maintain an awareness of site safety issues and document and report safety concerns to the appropriate parties. Responsible for training and work product quality control issues.
Certification Monitor	Responsible to perform various elements of the truck certification process: measurement, calculation, sketching, photographing, placard installation, documentation and quality review and verification.

Personnel Attire and Conduct

The disposal of disaster debris presents many potentially hazardous conditions. Work is conducted in an outdoor environment with heavy equipment, traffic, and loose debris. In order to reduce the exposure of our disposal monitors to potentially unsafe working conditions, we require certification monitors to dress in clothing which is appropriate for such conditions. We actively monitor the safety of the work environment, and also expect our monitors to be safety conscious.

The following list shows required personal safety gear, which should be worn at all times:

- Reflective safety vest (BDR provides)
- Long pants, preferably jeans
- Short or long-sleeve shirts (No tanks, cut-off shirts, or halter-tops)
- Protective or steel-toe boots. No open toed shoes are permitted at disposal sites.
- Hard hat (BDR provides)

- Ear protection (BDR provides)
- Eye protection

Beck Disaster Recovery, and its parent corporation R. W. Beck, are known for their commitment to excellence and integrity. Our reputation is one of our most prized assets. We expect all employees to conduct themselves in a professional manner. Behaviors which demonstrate a disregard for authority, our clients, our employees, our work, or the communities in which we work, will not be tolerated. The work being performed by *Beck Disaster Recovery* is federally-reimbursable under the Stafford Act. As such, fraudulent activities may be considered a federal offense!

Required Equipment

In addition to personal protective equipment, the Certification Supervisor will be responsible to provide:

- **FIRST AID KIT**
- **PLASTIC CONTAINERS** -- Ensures dry storage of truck certifications
- **LADDER** – When using ladder make certain it is steady – many surfaces are uneven.
- **PERMANENT MARKER** – Wide tipped marker is best for the Placards
- **50' – 100' TAPE** – Tape should have feet marked in tenths not inches.

- **PLACARDS** – Document the assigned truck number from the truck certification as well as the Contractor and certified capacity
- **CLOTH or PAPER TOWELS** – For cleaning area where placing the Placard
- **BALL POINT PENS** – Do not use gel pens as the ink runs if the paper gets wet.
- **CERTIFICATION FORMS** – These items are supplied by Beck Disaster Recovery
- **CLIP BOARDS** – Clip boards provide smooth writing surface and holds the form
- **CALCULATOR** – Though the calculations are not complicated, breaking the computation down and using a calculator will speed the process and increase accuracy.
- **TABLE AND CHAIRS** – Used as a work area for calculations and filing
- **CANOPY** – Protects those who are calculating and filing from sunburn and rain
- **DIGITAL CAMERA** – Need not be top of the line, but able to generate clear photos
- **EXTRA CARDS FOR CAMERA** – Sometimes it is not convenient to download the photos to a computer. Extra cards allow you to keep going without interruption
- **BATTERY CHARGER** – Battery chargers are needed for laptops, cameras and phones

- **NOTE PADS –** Calculations can be made on note pads to avoid errors on the certification forms.
- **LEGAL PADS or PREPRINTED FORMS –** This list will contain Truck Number/ Name of Contractor/Sub Contractor/Date/Time/and Capacity Assigned.
- **STAPLER –** The stapler is used to attach the original certifications to the corrected certifications.

Members of the Certification Team will each be responsible for:

- **FOOD AND WATER –** Each monitor must have a 14-hour supply.
- **DEPENDABLE TRANSPORTATION –** Each monitor must have their own.
- **FULLY-CHARGED/FUNCTIONAL CELL PHONE –** Each monitor must have their own.

Initial Consideration

A. All Certification Monitors should know what site they are to report to the day prior to deployment, unless otherwise instructed by a Certification Supervisor.

B. Certification Monitors will arrive at the TDSR site 15 minutes prior to the official open time of the site.

C. Daily TDSR site operations generally span daylight hours, unless BDR is instructed otherwise by the client due to work load, local noise ordinances, or holidays.

D. Use Orange cones to indicate where trucks should enter, be certified and exit the truck certification area.

E. Make sure that the soil conditions in the area being used for truck certification are not overly soft or wet. Poor soil conditions may cause delays because trucks are getting stuck or having difficulties navigating trouble spots.

F. Try to match the number of truck certification crews to the number of trucks waiting to be certified. Having too many trucks in line may cause blockage on local roads which frustrates local residents. An efficient truck certification crew should be able to certify four or five trucks per hour. In a normal day, one truck certification crew should be able to certify forty to sixty trucks. By dividing responsibilities and proactively working ahead in the line of trucks, this number can be increased.

G. SAFETY FIRST!!

- Truck certification personnel should always wear the appropriate personal protective equipment: hard hat, safety vest, eye protection and boots, preferably steel-toed boots.
- Do not climb ladders without a hand under the ladder rail.
- Do not stand on the top step of the ladder when climbing, viewing or measuring the hauling vehicle.

- Make sure that the ladder is on stable and level ground before climbing.
- Be very careful climbing into and out of the trucks. They are often slick because of loose dirt or oil in the bed of the truck.
- Be aware of traffic flow!
- Watch out for swinging doors and tail gates.

Truck Certification Procedures

A. Truck certification forms must be completely filled out and signed by the Certification Supervisor and by the driver of the truck or Contractor Representative.

B. Truck certification must be <u>LEGIBLE, COMPLETE AND ACCURATE</u>. In order to be legible, please remember to **PRESS FIRMLY** when recording the information on the truck certification form.

C. **FILL OUT** the General Information section which contains information on the Contractor, Subcontractor, and Vehicle.

D. **<u>MEASURE INSIDE TRUCK DIMENSIONS</u>** to the nearest tenth of a foot.

E. **<u>SUBTRACT</u>** all deductions from the total CY capacity of the truck. Deductions include such things as a "doghouse", protrusions, or angles in the truck that make the bed of a truck able to haul less. This information should be filled in at the proper places on the truck certification form. **NOTE** that beds without tail gates result in an automatic 15% deduction.

F. **<u>ADD</u>** any qualified spaces that are permanently attached to the body of the truck. This information should be filled in at the proper places on the truck certification form.

G. **<u>ROUND</u>** the total Cubic Yards (CY) after all additions and subtractions have been made, to the nearest whole number. For example:

- Truck measurement of 45.4 cubic yards should be rounded to a 45/CY truck capacity.
- Truck measurement of 40.5 cubic yard should be rounded to a 41/CY truck capacity.

H. **<u>SKETCH</u>** the views identified on the Certification Form.

I. The Certification should be **SIGNED** by the person who takes responsibility for the measurements, the calculations and checking the results. Ideally these are separate individuals.

J. **<u>WRITE</u>** the calculated Capacity and assigned Truck Number in the boxes provided in the upper right corner of the Truck Certification Form.

K. **WRITE** the assigned **truck number** and **truck's certified capacity** on the placard and **POST** it in clear view on the side of the truck. The contractor and subcontractor's names and the name of the client (City/County) should also be written on the placard.

L. Take a **DIGITAL PHOTO** of the Certified Truck which shows the truck and placard. **RECORD** the picture number.

M. **BDR retains the original (top copy)** and other copies should go to the prime contractor, subcontractor, and truck owner. One copy must be kept in truck at **ALL TIMES**.

N. **FILL OUT A NEW TRUCK CERTIFICATION FORM** whenever a truck is re-measured for any reason. Attach the old INCORRECT truck certification form to the new CORRECT certification form. DO NOT just change/write over the incorrect truck certification form. **Make sure the office is alerted to a change in truck certification capacity.**

O. **TURN IN COMPLETED CERTIFICATIONS EACH DAY** copies of all truck certifications completed for that day to the field office where the data entry is being done.

Additional Considerations

Never use the capacity number from an existing placard on the truck. Often trucks have additions such as sideboards which add capacity to the vehicle volume. If the sideboards have been damaged or removed since the current certification, a re-certification is required to reflect the changes to the vehicle hauling capacity. Always make your own careful, accurate measurements to determine the capacity of the truck. Do not allow the Contractor to hold the "Smart End" of the measuring tape. Do not allow yourself to be rushed or hurried! Doing things quickly without care often results in mistakes. There's never time to do it right, but there is always time to do it over.

Sample Truck Certification Form

BECK DISASTER RECOVERY, INC.

TRUCK CERTIFICATION

CAPACITY	VEHICLE I.D.

GENERAL INFORMATION			
Applicant:	Disaster #	Cert. Location:	
Contractor:	Subcontractor:	Date:	Time: A P
Driver Name:	License #	State:	Expiration:
Driver Phone:	Tag #	State:	Expiration:

Vehicle Type:	☐ Dump Truck	☐ Hydraulic Dump Trailer	☐ Non-hydraulic Dump Trailer
	☐ Semi-Trailer	☐ Self-Loading Truck	☐ Other: ________________
Features:	☐ Sideboards	☐ Dog Box	☐ Curved/Angled Sides/Floor
	☐ Tail Gate Extension	☐ Wheel Wells	☐ Other: ________________

MEASUREMENT INFORMATION

Primary Interior Dimensions:	L_1	x W_1	x H_1	= V_1 Cubic Feet (to 0.1)		

Modifications to Overall Interior Dimensions

Circle "+" for Addition or "-" for deduction

Type Code: 1 = Box Shape; 2 = Sideboards; 3 = Tail Gate Extension; 4 = Dog Box; 5 = Wheel Wells; 6 = Other ________________

Type $Code_2$:	L_2	x W_2	x H_2	= V_2 CF (to 0.1)	+	-
Type $Code_3$:	L_3	x W_3	x H_3	= V_3 CF (to 0.1)	+	-
Type $Code_4$:	L_4	x W_4	x H_4	= V_4 CF (to 0.1)	+	-
Type $Code_5$:	L_5	x W_5	x H_5	= V_5 CF (to 0.1)	+	-

V_{total} = Primary Interior Cubic Feet +/- Modification Cubic Feet
CYD = V_{total} / 27 *(rounded to the nearest whole number)*
= V_{total} CF (to 0.1) CYD

VEHICLE SKETCH

Primary (Side View)

Primary (End View)

Type Code2: (if applicable)

Type Code3: (if applicable)

Type Code4: (if applicable)

Type Code5: (if applicable)

Measured by: **I.D. #**	**Calculated by:** **I.D. #**	**Checked by:** **I.D. #**

Applicant Representative (print): **I.D. #**	**Contractor Representative (print)** **I.D. #**
Signature:	**Signature:**

White - Applicant *Yellow and Blue - Contractor* *Pink and Green - Driver* *Gold - Site Copy*

TRAINING MANUAL

COLLECTION MONITOR

COLLECTION MONITOR MANUAL

You have been selected to be a part of Beck Disaster Recovery, Inc. (BDR). BDR expects your involvement to be a true reflection of our team effort and requires you to uphold the high standards of ethics and conduct that have earned BDR an excellent reputation in the disaster recovery industry. Our primary focus is to assist (Municipality) in recovering from this disaster while employing local residents to spearhead the recovery of their own community. The goal of our effort is to help (Municipality) realize the maximum amount of qualified federal funding available for (Disaster) recovery effort.

Purpose

The purpose of the Collection Monitor is to witness the eligibility of storm-related debris picked up in the (Municipality) along the right-of-way (ROW) and in other eligible areas, such as parks and waterways, and to issue accurate load tickets attesting to the facts of information about the debris loads needed for processing payments to the Contractor and seeking reimbursement from FEMA to the (Municipality).

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Key Positions

Listing Key Positions

Position	Description
Collection Manager	Responsible for managing overall BDR collection monitoring operations, providing information to and communicating with the client, Project Manager, Field Supervisors and debris removal contractors management, resolving issues across all collection zones such as procedural changes, scheduling, and providing support.
Field Supervisor	Responsible for managing groups of Collection Monitors, interfacing with debris removal contractors on an as needed basis, resolving issues in the assigned territory, scheduling, and providing support to collection monitors. The Field Supervisor should maintain an awareness of field safety issues and document and report safety concerns to the appropriate parties. Responsible for training and work product quality control issues.
Collection Monitor	Responsible to monitor and document all collection activities, verify truck documentation, generate complete and accurate load tickets, dispatch fully-loaded hauling vehicles to appropriate disposal location, and resolve load ticket inaccuracies or omissions.

Personnel Appearance

The collection of disaster debris presents many potentially hazardous conditions. Work is conducted in an outdoor environment with heavy equipment, traffic, and loose debris. In order to reduce the exposure of our collection monitors to potentially unsafe working conditions, we require collection monitors to dress in clothing which is appropriate for such conditions. We actively monitor the safety of the work environment, and expect our monitors to be safety conscious and controlled in their actions.

The following list shows required personal safety gear, which should be worn at all times:

- Reflective safety vest (BDR provides);
- Long pants, preferably jeans;
- Short or long-sleeve shirts (No tanks, cut-off shirts, or halter-tops);
- Protective or steel-toe boots. No open toed shoes are permitted at disposal sites;
- Hard hat (BDR provides); and
- Cellular phone.

Recommended clothes include: non-advertising t-shirts, polo shirts (or comparable) with jeans, khaki or cotton pants. Remember that low brush conditions in right-of-way, and other eligible areas such as parks and waterways, may have sharp branches, thorns or stickers. You are representatives of (Municipality) and Beck Disaster Recovery while in the field. **DO NOT WEAR SUGGESTIVE CLOTHING OR CONTRACTOR T-SHIRTS.**

Professional Conduct – One Strike Policy

Be punctual when meeting crews. Be professional and non-confrontational at all times. Do not sit for long periods in your vehicle. Do not play loud music in your car. Do not allow anyone who is not an employee on this project to sit or ride in the car with you. Do not make excessive personal telephone calls. Do not use your vehicle as an office for conducting other business or work. Be attentive and alert. Understand that your job is to observe, and that you are representing the local government, and that the public's perception of what they see getting accomplished, and how it is getting done, plays a great part in the successful recovery of the disaster for the community.

Beck Disaster Recovery, and its parent corporation *R. W. Beck*, are known for their commitment to excellence and integrity. Our reputation is one of our most prized assets. We expect all employees to conduct themselves in a professional manner. Behaviors which demonstrate a disregard for authority, our clients, our employees, our work, or the communities in which we work, will not be tolerated. The work being performed by *Beck Disaster Recovery* is federally-reimbursable under the Stafford Act. As such, fraudulent activities may be considered a federal offense!

Beck Disaster Recovery maintains a "one strike" policy for all personnel working on debris removal projects. Break the rules once and you may be dismissed.

Required Equipment

In addition to personal protective equipment, the Collection Monitor will be responsible to have at all times:

- Call list
- Monitor instructions
- Black ball point pens
- Highlighter
- Clip board
- Incident Reports
- Daily Monitor Log Sheet
- Load Tickets
- Zone Maps
- Adequate supply of food and water for a 14 hour period

Collection Monitors must each have a dependable motor vehicle for transportation to the site and a fully-charged, fully-functional cellular phone.

Daily Operations

- Daily collection operations generally span daylight hours, unless BDR is instructed otherwise by the client due to work load, local noise ordinances, or holidays.
- Each work day, report to the Project Operations Center no later than 15 minutes prior to the designated start time wearing vest and identification badge.
- REMEMBER our work begins early in the morning! Please be sensitive to the surrounding environment. In many cases, the Project Operations Centers are located in residential areas. Communicate quietly and TURN YOUR RADIOS DOWN before driving into the Project Operations Center.
- Listen to morning announcements.
- Follow the check-in procedure. Sign timesheet at beginning of pay period. Pick up daily assignment and monitor kit. If time off is needed, turn in written request to administrative staff at least three days prior. Call your crew contact person to confirm meeting time and location.
- All Collection Monitors are assigned a Crew and a Zone to monitor.

A. Monitoring Crews

Collection Monitors follow and monitor clean-up crews as they pick up eligible debris. If your crew is using multiple trucks and pieces of equipment (bobcats, loaders, etc.), know where all trucks and equipment are at all times. Do not issue tickets before trucks are fully loaded. Do not leave crews unattended while they are loading. Do not allow Contractors to put equipment on or take debris off private property without a signed Right of Entry Agreement. Do not operate any equipment for Contractor. Do not flag. Do not assist crews with picking up debris. Do not run errands for crews. Do not accept any money or gifts. Immediately report any fraud or suspicious acts to your Field Supervisor. Do not supervise crews – the Collection Monitor's role is to attest that the Contractor has complied with all the guidelines for picking up eligible debris and that is confirmed by the issuance of a Load Ticket.

A.1 Contractor/Monitor Disagreements

If there is a disagreement between a crew and a monitor that needs resolution, and it cannot be settled or handled in a civil manner between the crew and the monitor, contact the Field Supervisor immediately. You are expected to be professional and non-confrontational at all times. Negative confrontations do not achieve amiable results.

A.2 Accident or Injury

Handle any on-site emergency by first dialing 911, then immediately report incident to your Field Supervisor. An *Incident Report* must be completed and turned in at the end of the workday.

A.3 Property Damage or Incidents

Immediately report any urgent conditions or damage to your Field Supervisor. Complete an *Incident Report*. A photograph of any damages is advised. If you do not have a camera, call your Field Supervisor so arrangements can be made for a photograph to be taken to substantiate the *Incident Report*.

A.4 Safety

Knowledge of industry-standard safety guidelines for hauling debris allows you to take a pro-active part in the safe operations of the project. As a monitor, be mindful of potential hazards that can be caused by trucks filled with debris and communicate your concerns with the crews. Although it is the Contractor's responsibility to provide safe working conditions for their workers and to ensure the safety of the public while removing debris, if unsafe conditions exist, it may become necessary for the Debris Collection Monitor to stop the debris pick-up operation until safe working conditions can be achieved and notify the Field Supervisor of such action. Some examples include:

- **Overhangs** – Any debris material hanging over the side of the truck in excess of six inches
- **Debris Too High** – Any debris material in a truck sticking up at a height greater than 14 feet from the ground.
- **Broken Sideboards** – Boards extending the height of a truck body cannot be broken.
- **Failing Tailgate** – Any tailgates that allow debris material to fall out onto the road

A.5 Segregating Debris Types at Pick-up

During the "vegetative only" sweeps, instruct crews to avoid plastic bags of vegetative debris or household trash. The bags are not allowed at the disposal sites and will be turned away. During the "vegetative and C&D sweeps, encourage crews to segregate loads (Vegetative and C&D).

B. Reporting Requirements

B.1 Issuing Load Tickets

Collection Monitors must fill out load tickets completely. Most important function in entire monitoring project: NEAT AND ACCURATE LOAD TICKETS. Be sure that each field is legible and easy for the data entry staff to read. Print every field including monitor's name (this is not a signature). No one is to write or mark on any load tickets other than the Collection Monitor to whom the load tickets were assigned. Proofread each ticket before separating the goldenrod copy, and handing the rest of the multi-part Load Ticket to the driver.

- **DO NOT give incomplete load tickets to drivers.**
- **DO NOT issue a ticket for a load that was not monitored.**
- **No funneling** (or "drive-through") such as issuing load tickets at the entrance of a gated community.

B.2 Daily Monitor Log

Begin a new log each day and fill out completely with pertinent information about the issuance of all load tickets and crew information including:

- Employee Name/Employee Number
- Contractor Name
- Crew Supervisor
- Crew Supervisor Telephone Number
- Date
- Zone
- Start Time/End Time
- Beginning Mileage/Ending Mileage
- Load Ticket Information:
  - Ticket Number
  - Driver Name
  - Truck Number
  - Load Location (Exact Address)
  - Debris Type
  - Load Time

B.3 Incident Reports

Complete an Incident Report for any event that happens out of the ordinary including property damage, confrontations, or personal injury. Notify utility companies of damaged power, telephone or cable lines and broken water mains. Call 911 immediately in case of personal injury.

B.4 Cleared Road Status – Zone Maps

Trace the progress of the crews you are monitoring through assigned zones on hand map by highlighting "cleared" streets. Update master zone map at the end of the day.

B.5 Check Out

After the final load for the day has been loaded, confirm with the contractor crew supervisor the commencement time and location for the next day's work, and record it on the Daily Monitor Log. Proceed to the Project Operations Office for check-out. Turn in "office copy" of load tickets, unused load tickets, voided load tickets, incident reports, highlighted maps, and completed monitor logs at the end of the workday. Be sure that monitor logs have crew supervisor name and telephone number as well as meeting location for following workday. Record ending mileage.

C. Eligible Debris

Disaster-related debris may be eligible for FEMA reimbursement when it: 1) Eliminates immediate threats to lives, public health and safety; 2) Eliminates immediate threats of significant damage to improved public or private property; and/or 3) Ensures economic recovery of the affected areas to the benefit of the community-at-large.

C.1 Debris Removal from Public Property Right-of-Way (ROW)

Specific streets and highways in a disaster area that may not be FEMA eligible will be explained for each project. However, general guidelines for FEMA assistance for debris removal from public property include: 1) Debris that is blocking streets and highways that is considered a public health and safety threat because it blocks passage of emergency vehicles or it blocks access to emergency facilities such as hospitals; 2) Debris that is in a stream or flood channel that may cause flooding from a future storm. If such flooding would cause an immediate threat of damage to improved property, removal of the debris is eligible only to the extent necessary to protect against an event that could reasonably be expected to occur within five years.

C.2 Debris Removal from Roads and Highways

Debris may be removed from most roads and highways including the travel lanes and shoulders, medians, roadside ditches, drainage structures and the maintained right-of-way. Clearance from federal-aid roads and highways follows these criteria except when the Emergency Relief Program of the Federal Highway Administration (FHWA) is activated. For highways being repaired by the

C O N F I D E N T I A L

Emergency Relief Program, the debris is removed as part of that work. Debris on undamaged sections of highways may be eligible for FEMA assistance.

C.3 Debris Removal from Private Property

Debris removal from private property is generally the responsibility of the individual property owner, aided by insurance settlements and assistance from volunteer agencies. FEMA assistance is not available to reimburse private property owners for the cost of removing debris from their property; however, pick-up and disposal of disaster-related debris placed at the curb by those private individuals during an agreed upon time frame may be eligible for public assistance through local, tribal, state and/or federal governments. An exception to debris removal from private property may occur if the debris on private business and residential property is so widespread that public health, safety, or the economic recovery of the community is threatened. In such cases, the programs are contracted and accounted for separately through a Right-of-Entry (ROE) Program.

C.4 Debris Removal from Recreational and Wilderness Areas

The removal of disaster-related debris from public parks and recreational areas used by the public is usually eligible when it affects public health or safety or prohibits proper use of such facilities. Hazardous trees within a naturalized area of public parks or golf courses that are unstable and leaning into the areas used by the public are eligible for removal only, not replacement. Normally, trees requiring removal are flush cut at the ground. Hazardous limbs greater than 2" in diameter that are still hanging in trees and threaten a public-use area such as a trail, sidewalk, road or golf cart path are usually eligible. A tree with more than 50% of the tree crown destroyed or damaged, a split trunk, or broken branches that expose the heartwood, or a tree that has been felled or uprooted is usually eligible for removal, especially if it is in a location approximate to or within public use areas. Removal of debris that does not pose a health or safety threat in wilderness or forested areas of these facilities is not eligible for FEMA reimbursement.

C.5 Stump Removal

Generally, stump removals are not considered eligible for reimbursement, except if the stump itself is determined to be a hazard, as when the tree was uprooted. The method for monitoring and issuing the load ticket for stumps is dependent upon the Agreement between FEMA and the (Municipality). The following methods are commonly used:

Method by Cubic Yardage: Stumps less than 24 inches in diameter is generally considered "cubic yardage" and the accounting for those stumps is blended and included with similar debris that is placed in certified containers and hauled to the dumpsite.

Method by Conversion Table: Extraction and hauling of stumps from the public right-of-way, or from certain improved property by eligible private nonprofit organizations, that is larger than 24 inches in diameter (measured two feet up from where the tree originally exited the ground) may qualify for FEMA reimbursement "per stump" based on the latest amended stump conversion table developed by FEMA. Those stumps must be approved in advance of extraction by FEMA and documented on a Hazardous Stump Worksheet.

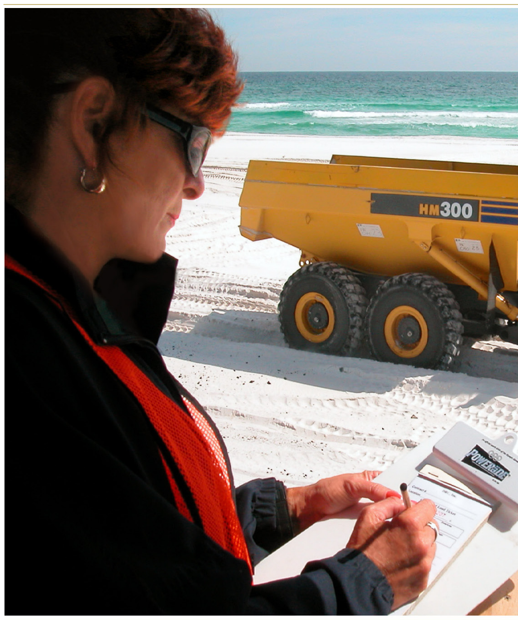
C.6 Debris Removal from Waterways

Debris removal from certain drainage structures may be eligible for FEMA reimbursement with special monitoring.

C.7 Removal of Leaners and Hangers

The removal of eligible "leaners" (trees damaged by the storm in such a way that they pose a safety hazard) and "hangers" (broken or damaged limbs with a diameter of at least two inches that pose a safety hazard) requires specialized equipment such as bucket trucks and climbing gear. FEMA-eligible programs for "leaners and hangers" are often used in separate contracts for the clean up of parks, medians and/or right-of-way as well as for private property right-of-entry contracts.

TRAINING MANUAL



DISPOSAL MONITOR

BDR™

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DISPOSAL MONITOR MANUAL

You have been selected to be a part of Beck Disaster Recovery, Inc. (BDR). BDR expects your involvement to be a true reflection of our team effort and requires you to uphold the high standards of ethics and conduct that have earned BDR an excellent reputation in the disaster recovery industry. Our primary focus is to assist (Municipality) in recovering from this disaster while employing local residents to spearhead the recovery of their own community. The goal of our effort is to help (Municipality) realize the maximum amount of qualified federal funding available for (Disaster) recovery effort.

Purpose

The purpose of a Disposal Monitor is to accurately monitor and document the volume of debris collected under (Municipality)'s contract. Properly assessing the volume and type of debris being collected is a critical component of the charges to the client for debris collection. Proper documentation is essential for reimbursement from federal funding. All volume-based contracts are quantified in unit rates. The most common unit rate is the cubic yard. However, weight (tons) may be used to quantify debris hauled under a debris removal contract.

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Key Positions

Listing Key Positions

Position	Description
Disposal Manager	Responsible for managing overall BDR disposal monitoring operations, providing information to and communicating with the client and debris removal contractors, resolving issues across all disposal locations such as procedural changes, scheduling, and providing support to disposal supervisors. The Disposal Manager also ensures that disposal site contractors have all required permits from Department of Environmental Quality (DEQ) and other applicable State and Federal Agencies in order to ensure that disposal sites are compliant for debris operations.
Disposal Supervisor	Responsible for managing site specific BDR disposal monitoring operations, interfacing with the client and debris removal contractors on an as needed basis, resolving issues on the site, scheduling, and providing support to disposal monitors. The Disposal Supervisor should maintain an awareness of site safety issues and document and report safety concerns to the appropriate parties. Responsible for training and work product quality control issues.
Disposal Monitor	Responsible to review and verify all incoming load tickets and outgoing haul out tickets, verify truck documentation, accurately assess loads, verify proper disposal, and resolve load ticket inaccuracies or omissions.

Personnel Attire and Conduct

The disposal of disaster debris presents many potentially hazardous conditions. Work is conducted in an outdoor environment with heavy equipment, traffic, and loose debris. In order to reduce the exposure of our disposal monitors to potentially unsafe working conditions, we require disposal monitors to dress in clothing which is appropriate for such conditions. We actively monitor the safety of the work environment, and expect our monitors to be safety conscious and controlled in their actions.

The following list shows required personal safety gear, which should be worn at all times:

- Reflective safety vest (BDR provides);
- Long pants, preferably jeans;
- Short or long-sleeve shirts (No tanks, cut-off shirts, or halter-tops);
- Protective or steel-toe boots. No open toed shoes are permitted at disposal sites;
- Hard hat (BDR provides);
- Ear protection (BDR provides);
- Eye protection; and
- Cellular phone.

Beck Disaster Recovery, and its parent corporation *R. W. Beck*, are known for their commitment to excellence and integrity. Our reputation is one of our most prized assets. We expect all employees to conduct themselves in a professional manner. Behaviors which demonstrate a disregard for authority, our clients, our employees, our work, or the communities in which we work, will not be tolerated. The work being performed by *Beck Disaster Recovery* is federally-reimbursable under the Stafford Act. As such, fraudulent activities may be considered a federal offense!

Required Equipment

In addition to personal protective equipment, the Disposal Supervisor will be responsible to provide for each disposal location:

- First aid kit
- Plastic containers to ensure dry storage of load tickets
- Ball point pens
- Clip board
- Rope to raise and lower load tickets to drivers
- Logger's tape for measuring stumps and logs
- Measuring tape
- Adequate supply of food and water for a 14 hour period.

Disposal Monitors must each have a dependable motor vehicle for transportation to the site and a fully-charged, fully-functional cellular phone.

NOTE: It is generally the debris removal contractor's responsibility to provide a Disposal Tower. The Tower should be of adequate height for the Disposal Monitor to clearly see the inside of all loading containers, able to support at least four people simultaneously and safe for climbing up and down

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Daily Operations

- All Disposal Monitors should know what disposal site they are to report to the day prior to deployment, unless otherwise instructed by a Disposal Supervisor.
- Disposal Monitors will arrive at the TDSR site 15 minutes prior to the official open time of the site. Disposal Monitors will be expected to come prepared with the following:
- Daily TDSR site operations generally span daylight hours, unless BDR is instructed otherwise by the client due to work load, local noise ordinances, or holidays. There are four major services provided by BDR Disposal Monitors:

A. Load Ticket QA/QC

B. Incoming Debris Load Call

C. Verification of Reduction

D. Haul Out

A. Load Ticket QA/QC

Disposal Monitors have the opportunity to review collection information documented by collection monitors in the field and spot check trucks and truck placards for tampering. Collection load tickets should be examined carefully for completeness prior to being separated. ***All fields of the load ticket must be filled out completely.*** If the load ticket is missing any collection information, the disposal monitor is expected to contact the collection monitor using the contact numbers provided, retrieve the missing information, and record the information on the load ticket <u>prior to separating the load ticket</u>. In addition to scanning the load ticket for completeness, the Disposal Monitor should make the following QA/QC checks:

Truck #: Ensure that the Truck # on the ticket matches the Truck # printed on the placard.

Truck Capacity: Ensure that the Truck Capacity on the ticket matches the Truck Capacity on the placard.

Loading Location: Make sure that the Street Name (including street suffix i.e. Ave., Blvd., Cir., Ct., St.) and Zone # are filled out completely. If more than two tickets have been issued from the same address, contact the collection monitor, and find out why.

Debris Classification: Check with Disposal Supervisor to find out which debris types are eligible for collection. Make sure that only eligible debris classifications are collected and documented for collection.

Loading Time: Check that loading time is at least 20 minutes prior to current time at disposal site. Loading time must include a.m. or p.m. Collection monitors are forbidden from "prewriting" tickets. The practice can lead time discrepancies between collection and disposal. Time discrepancies may jeopardize FEMA reimbursement.

Check truck sideboards: If the placard indicates that there are sideboards ("S" with a circle around the "S" on the corner of the placard), and they have been removed, call the truck to the side of the queue and report the situation immediately to the Disposal Supervisor.

Check the placard for tampering: If any information appears to be scratched off or altered, call the truck to the side of the queue and report the situation immediately to the Disposal Supervisor.

B. Incoming Debris Load Call

C After performing a complete Load Ticket QA/QC, the Disposal Monitor, or Disposal Monitor Team must fill out all disposal information on the load ticket and assign the truck a Load Call.

<u>Disposal Information</u>

TDSR Site/Disposal Site Location: Location that debris disposal is taking place.

Date: Date of debris disposal.

Disposal Time: Record the time (including a.m. or p.m.) the truck arrives at the disposal site on the ticket accurately. If the disposal time is previous to the loading time, contact the Disposal Supervisor.

Disposal Odometer: Odometer reading of the truck when it arrives at the Disposal Tower. Disposal Monitor may be directed to leave this field blank.

Load Call (%): This is the percentage of debris in the loading container at the time it arrives at the disposal site. Percentage deductions are made based on air space in the loading container. For example, if a truck contains 10% air space within the loading unit, it would receive a 90% Load Call. Loose brush within the container is not densely packed, contains airspace, and will, therefore, receive a deduction.

If trucks are not fully loaded, Disposal Monitor must not accept the contractor contention that loads are higher in the middle and if leveled would fill the truck.

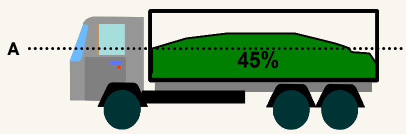
Trucks cannot receive credit for more than the measured capacity of the truck or trailer bed even if debris is above the sideboards. If a truck is measured to carry 50 cubic yards it cannot receive credit for more than 50 cubic yards. However, the load call can be reduced if not fully loaded or lightly loaded as described above.

Disposal Monitors much beware of contractor attempts to receive multiple load calls for the same load. Trucks have

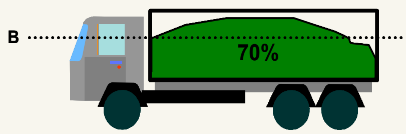
C O N F I D E N T I A L

been reported driving through the disposal site without unloading, then re-enter with the same load. This can be detected by observing the time of departure and time of arrival recorded on the driver's ticket. Trucks departing the disposal site should be observed as well to make sure the truck is completely empty. If a disposal monitor witnesses this taking place, contact the Disposal Manager immediately. Attempts to receive multiple load calls at the tower indicate that the contractor has a source of tickets that it shouldn't and ticket controls have been breached. The Disposal Manager will communicate the issue to other applicable management staff.

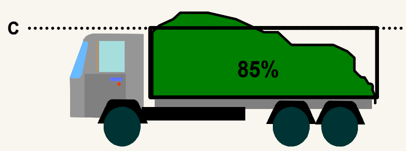
Load Call Estimate Examples



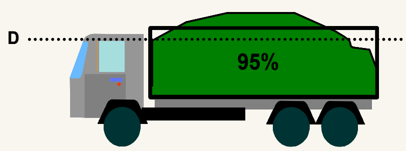
In example A, the mounded portion of the load offsets the areas where the load drops below the fill line. Because the load comprises light and medium debris, the Load Percentage Estimation is given at 45%.



In example B, the mounded portion of the load offsets the areas where the load drops below the fill line. Because the load comprises light and medium debris, the Load Percentage Estimation is given at 70%.



In example C, the mounded portion at the front of the load offsets the area in the back where the load drops below the fill line. Because the load comprises light and medium debris, the Load Percentage Estimation is given at 85%.



In example D, the mounded portion of the load offsets the areas where the load drops below the fill line. Because the load comprises light and medium debris, the Load Percentage Estimation is given at 95%.

Special Case Load Call: Estimating Heavy Wood Volume

Depending on the severity of the disaster, debris may take the form of Heavy Wood. After the light branch debris and stumps have been hauled to TDSR site, the Heavy Wood must be collected and transported. Heavy Wood requires the use of specialized equipment for loading and transporting. It is often transported using large flat-bed trucks. Because flat-bed trucks have no certifiable capacity, the cubic yard (CY) volume must be estimated at the Disposal Site. In order to reasonably estimate the CY volume associated with Heavy Wood, the Disposal Monitor should use the following procedure:

1. Measure and record the length, width and height of the Heavy Wood using measuring tape on the tenths of inches side.

2. Multiply the length X width X height. The result is the number of cubic feet contained in a box which would hold the Heavy Wood.

3. Divide the result in cubic feet by 27 (number of cubic feet in a cubic yard). This value is the volume of the same box in cubic yards.

4. Multiplying the resulting cubic yard value by the percentage of the box filled by the Heavy Wood.

For example, a flat-bed truck comes into the TDRS site with two very large logs. The logs are measured (in tenths of feet) and are the same length (20.0 feet) and diameter (3.0 feet). The length is 20.0 feet; the width is 6.0 (2 logs times 3.0 feet); and, the height is 3.0 feet. In cubic feet the volume of an imaginary box which would hold this Heavy Wood is 360.0 cubic feet (20.0 X 6.0 X 3.0). The same box is 13.3 cubic yards (360.0/27). Because the logs are round, they do not completely fill the box. For this reason, the cubic yard volume is multiplied by 85% (15% of the volume is reduced) which results in an estimated Heavy Wood volume of 11.3 cubic yards.

Service: This will vary depending on the operation being performed to collect the debris. Debris removal from public ROW, private property, and tree cut work will have different rate determinants. The Disposal Supervisor will provide instruction regarding how to properly fill out this field.

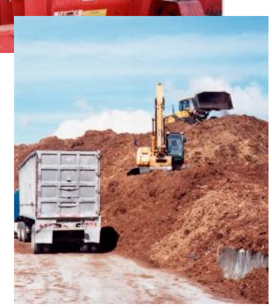
Monitor Signature: After completing the information on the Load Ticket, the Disposal Monitor will sign the Load Ticket and clearly print his/her name & I.D.#.

Contractor Signature: Contractor signature is required prior to ticket separation. (If applicable)

Ticket Separation: When separating the tickets, follow the distribution instructions on the bottom of the Load Ticket unless otherwise instructed by the Disposal Supervisor

C. Verification of Reduction

Debris reduction contracts call for specific methods for the reduction of debris. These methods are generally one of the following:



- Grinding
- Open Pit Burning
- Trench Burning
- Air Curtain Incineration

The quantity of inbound debris drives the quantity of debris reduction for record keeping purposes. Non-reduced debris must be identified and notated on Haul-Out Tickets.

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D. Haul Out

Haul out operations generally begin after a portion of the inbound debris has been reduced. The "Haul Out" operation is transporting the reduced debris from the Temporary Disposal Site to a final disposal site. This operation may not be necessary if the debris is initially hauled to an appropriately permitted and equipped facility.

During Haul Out, the Disposal Monitor is responsible for filling out and properly separating the entire Haul Out Load Ticket prior to the truck leaving the disposal site. As in the case of incoming debris, the Disposal Monitor must perform a QA/QC check of the placard and sideboards.

Haul Out Information

TDSR Site: This is the location that the reduced debris is being haul-out from and the Disposal Monitor is located.

Haul Out Classification: Check the appropriate classification of reduced debris. There can only be one method per ticket.

Disposal Site Location: This is the final location of the reduced debris. Disposal supervisor will instruct Disposal Monitor the proper location.

Service: This will vary depending on the operation being performed to collect the debris. Debris removal from public ROW, private property, and tree cut work will have different rate determinants. Tracking the reduced debris created from various operations is just as important as tracking unreduced debris hauled into the disposal site. The Disposal Supervisor will provide instruction regarding how to properly fill out this field.

ATTACHMENT C

PROPOSER'S QUALIFICATIONS STATEMENT FORM

The undersigned guarantees the truth and accuracy of all statements and the answers contained herein.

1. Please describe your company in detail.

The BDR Division of Science Applications International Corporation (SAIC) is one of the nation's leading program management firms, providing end-to-end services in disaster preparedness, emergency management, and post-event response and recovery. We are dedicated to helping state and local governments plan for and recover from both natural and human-caused disasters. A detailed company description is provided at the end of this section.

2. The address of the principal place of business is:

Corporate Office: 1710 SAIC Drive, McLean, VA 22102

Local Office: 2301 Lucien Way, Suite 120, Maitland, FL 32751

3. Company telephone number, fax number and e-mail addresses:

Local Office Phone/Fax Number: (321) 441-8500, (321) 441-8501

Technical Representative Name/E-mail:

Contractual Representative Name/E-mail (authorized negotiator): Betty Kamara, betty.v.kamara@saic.com

4. Number of employees:

Approximately 43,000

5. Number of employees or subcontractors to be assigned to this project (per event) and what is capacity?

Approximately 52; see staffing ratio in Attachment A for a breakdown per position.

6. Company Identification numbers for the Internal Revenue Service:

Federal Tax ID Number: 95-3630868

7. Provide **Occupational License Number (and County)**, if applicable, and expiration date:

N/A

8. How many years has your organization been in business? Does your organization have a specialty?

SAIC was founded in 1969 as Science Applications, Inc. Our experience in disaster field monitoring and management services dates back to 1989, when we helped clients recover from Hurricane Hugo. A description of SAIC's specialty services is provided at the end of this section.

9. What is the last project of this nature or magnitude that you have completed? Please provide project description, reference and cost of work completed.

Most recently, the firm worked with the City of Galveston, Texas to provide disaster debris program management services in response to Hurricane Ike. A complete description of this and other similar project descriptions, including reference information, is provided at the end of this section.

10. Have you ever failed to complete any work awarded to you? If so, where and why?

No

11. Give names, addresses and telephone numbers of three individuals, corporations, agencies, or institutions for which you have previously performed work. List of ALL disaster response contracts performed in the last 5 years, including customer name, total contract amount and yards removed. Use a separate tab if necessary.

11.1.
Name Monroe County, FL - Judith R. Clarke, P.E., Assistant County Engineer

Address 1100 Simonton Street, Room 2-216
Key West, FL 33040

Telephone No. (305) 295-4329

11.2.
Name City of Naples, FL - Ben Copeland, Public Works Analyst

Address 380 Riverside Circle
Naples, FL 34102

Telephone No. (239) 213-4745

11.3.
Name Miami-Dade County, FL - Kathleen Woods-Richardson, Director, Solid Waste Management

Address 2525 NW 62nd Street, 5th Floor
Miami, FL 33128

Telephone No. (305) 514-6628

12. List the following information concerning all contracts **in progress** as of the date of submission of this bid. (In event of co-venture, list the information for all co-ventures.)

Name of Project	Owner	Value	Contracted Completion Date	% of Completion to Date
Demolition Prgm Mgmt	New Orleans, City of	$7,900,000	August 2013	1%
Sinclair Demolition	Cedar Rapids, City of	$311,000	May 2011	99%
Leaner/Hanger Mntg	Raleigh, City of	$253,000	June 2011	20%
Demolition Prgm Mgmt	Terrebonne Parish	$1,300,000	August 2011	75%

(Continue list on insert sheet, if necessary.)

13. Has the Proposer or Representative inspected the proposed project site and does the Bidder have a complete plan for performance of disaster response services?

Post disaster management of the proposed temporary debris management sites (TDMS) located by the City of Key West is necessary for a successful project. Upon award of this contract, SAIC will work with the City to create and document a work plan that includes maps, checklists for pre-event permitting, TDMS maximum capacity, workflow metrics, and contingency plans when sites are flooded.

14. Provide list of subcontractor(s), the work to be performed and also a list of major materials suppliers for this Project?

Sub Contractor Name	Address	Work to be Performed
N/A		

(Continue list on insert sheet, if necessary)

The foregoing list of subcontractor(s) may not be amended after award of the contract without the prior written approval of the City Manager.

15. What equipment do you own that is available for the work? Provided in Attachment E.

PROVIDE LIST IN ATTACHMENT

16. What equipment will you purchase for the proposed work?
(Continue list on insert sheet, if necessary)

Cameras, handheld GPS devices

18. What equipment will you rent for the proposed work?
(Continue list on insert sheet, if necessary)

Temporary office space, generator, portable facilities

19. State the names of the proposed project team and include resumes, and give details of his or her qualifications and experience in managing similar work.

(Continue list on insert sheet, if necessary)

Bryan Fike - Principal in Charge, Ralph Natale - Field Operations, Anne Cabrera - Project Planning

Simon Carlyle - Project Planning, Phil Ivey - Debris Collection, Oliver Yao - Data Operations

An organizational chart with the complete list of key personnel as well as resumes for the proposed project team is provided at the end of this section.

20. State the true, exact, correct and complete name of the partnership, corporation or trade name under which you do business and the address of the place of business. (If a corporation, state the name of the president and secretary. If a partnership, state the names of all partners. If a trade name, state the names of the individuals who do business under the trade name.)

Science Applications International Corporation

2301 Lucien Way, Suite 120, Maitland, FL 32751

Corporate President/Secretary: Walter Havenstein, Douglas Scott

20.1 The correct name of the Proposer is:

Science Applications International Corporation

20.2 Insurance See Attachment N for evidence of insurability.

20.2. The business is a (Sole Proprietorship) (Partnership) (Corporation).

Corporation

20.3 The names of the corporate officers, or partners, or individuals doing business under a trade name, are as follows:

A list of SAIC's corporate officers is provided at the end of this section.

Science Applications International Corporation

SUBMITTED BY:

_______________	Betty Kamara, Contracts Administrator
SIGNATURE	PRINT NAME/ TITLE

STATE OF FLORIDA)

) SS.

COUNTY OF Orange)

The foregoing instrument was acknowledged before me this 2nd day of May, 2011,

~~2010~~, by Betty Kamara who is personally known to me or who has

produced N/A as identification and who did/did not take an oath.

WITNESS my hand and official seal, this 2nd day of May, 2011.

(NOTARY SEAL)

____

(Signature of person taking acknowledgment)

1. Please describe your company in detail.

The BDR Division of Science Applications International Corporation (SAIC) is one of the nation's leading program management firms, providing end-to-end services in disaster preparedness, emergency management, and post-event response and recovery. We are dedicated to helping state and local governments plan for and recover from both natural and human-caused disasters. The firm is recognized for its ability to quickly respond to a broad range of emergency situations, allowing our clients to return to the business of running their day-to-day operations.

Key SAIC personnel are uniquely familiar with the policies, procedures, and requirements associated with providing disaster recovery services. Our understanding of Federal Emergency Management Agency (FEMA), Federal Highway Administration (FHWA), and other reimbursement agencies' requirements for eligibility, documentation, and reimbursement helps clients receive the maximum reimbursement allowed. We have successfully managed all phases of debris removal and associated reimbursement efforts, including the removal of and reimbursement for over 62 million cubic yards of debris as well as the demolition of uninhabitable structures, some of which contain hazardous waste materials. We have helped local governments obtain over $2 billion in reimbursement funds from federal agencies such as FEMA, FHWA, and the Natural Resources Conservation Service (NRCS). In total, we have successfully performed over 180 projects similar in nature to the services requested by the City.

Of the 180+ projects the firm has managed, 18 have involved the collection and disposal or recovery of over 1 million cubic yards of debris, with the largest project consisting of over 11 million cubic yards. Our ability to efficiently manage large recovery efforts ensures the City that a swift recovery will be made following a disaster.

Some of our many services are listed in the table below.

Exhibit C-1: List of Services

Type of Service	Description
Debris Monitoring	SAIC has extensive experience in all aspects of debris monitoring, including truck certification, zone and map development, ticket preparation, tower monitoring, and FEMA reimbursement assistance.
Right-of-Entry Programs	SAIC staff is currently managing right-of-entry programs in Texas and Louisiana, representing approximately seven million people in response to Hurricanes Gustav and Ike. SAIC's work includes public assistance program management support, hotline operations, eligibility review, property surveys, monitoring, and other right-of-entry services.
Debris Volume Estimation	SAIC staff assist with the formulation of debris volume and debris removal contract cost assessments
Disposal Monitoring	SAIC staff perform volumetric measurement of incoming loads and ticket authorization and completion
Waterway Debris Removal	SAIC has monitored and managed marine debris removal operations throughout the southeastern United States. Our experience in providing our clients with turnkey waterway debris removal programs sets us apart from our competitors.

Type of Service	Description
Boat and Vehicle Removal	SAIC has assisted communities in complying with all legal requirements for removing and disposing of abandoned vehicles and boats.
Procurement and Contract Management	SAIC staff assist communities with hauler procurement and management of hauler contracts and enforcement
Data Management	SAIC staff provides ticket data entry and quality assurance/quality control.
Invoicing and Billing	SAIC staff provides hauler invoice review and approval after reconciliation with database. SAIC has processed millions load tickets, representing upwards of $2 billion in debris removal activities.
FEMA Reimbursement	Since 2004, SAIC has assisted clients in preparing project worksheets and appeals associated with over $2 billion in reimbursement from various state and federal agencies.
Emergency Management Planning	SAIC has developed a variety of emergency preparedness plans that address emergency operations, continuity of operations, site-specific emergency response, crisis, logistics, standard operating guidelines, and hazard mitigation.

Expertise in Debris Removal, Solid Waste, and Hazardous Waste

SAIC has successfully assisted numerous communities and organizations with disaster recovery efforts by providing a full range of services, including comprehensive program management, disaster debris removal contracting and negotiations, damage assessment, project staffing, FEMA/FHWA/NRCS reimbursement, and all aspects of field debris monitoring. Our efforts have allowed our clients to maintain their focus on continuing daily operations while relying on us to oversee the management of debris removal operations and federal reimbursement in compliance with all FEMA guidelines and reimbursement procedures.

SAIC provided comprehensive disaster debris program management to over 50 communities affected by Hurricane Ike. To date, SAIC has monitored the collection and disposal of approximately 16 million cubic yards of debris caused by Hurricane Ike. Our work spanned all facets of disaster debris management, including project management, disposal site assessments, daily reporting, and post-event hauler contract management worksheets based on debris estimates. SAIC performed collection and disposal monitoring, hauler field operations management, FEMA/FHWA coordination, local government mutual aid agreements, load ticket data entry management, hauler invoice reconciliation, generation of project worksheet versions, and project closeout and FEMA appeals.

Debris monitoring operations have included monitoring the removal of traditional and special wastes including the following:

- Animal carcass
- Asbestos-containing material
- Beach remediation/restoration
- Concrete
- Construction and demolition (C&D)
- Creosote pilings
- Drainage way and canal debris
- Marine /waterway
- Private property demolition/debris
- Putrescent waste
- Sand removal
- Small engines
- Soil, mud, silt and sand
- Subsurface storm drain

- E-wastes
- Food wastes
- Hazardous waste
- Household hazardous waste
- Leaners, hangers, and stumps
- Vegetative debris
- Vessel and vehicle
- Wetland and parkland debris
- White goods
- Woodchip/ashes

Experience and Understanding of Federal, State and Local Agencies, Funding Sources and Reimbursement Processes

SAIC has significant experience with federal, state, and local emergency agencies and programs, as well as funding sources and reimbursement procedures. We have worked closely with FEMA staff in the determination of debris eligibility, data requirements, project worksheet development, auditing of load ticket information and reimbursement requirements. This includes providing step-by-step assistance to clients throughout the FEMA reimbursement process.

In order to maximize public assistance for our clients, SAIC maintains a professional working relationship with FEMA at the federal, public assistance officer, project officer and debris specialist level. Constant communication and interface with FEMA allows SAIC to obtain quick response on disaster-specific guidance such as stump removal, leaning tree and hanging limb removal, beach re-nourishment, and debris removal on private roads and property. SAIC's relationship with FEMA and their confidence in the integrity of our documentation was a contributing factor in FEMA's decision not to perform a standard field audit of work in Louisiana and Texas following the 2008 Hurricane Season.

SAIC utilizes debris estimate models and damage assessment experts to supply FEMA public assistance and project officers the information needed to generate project worksheet estimates at the beginning of a debris removal project. By assisting FEMA staff with the preparation of project worksheet estimates at the onset of the project, SAIC is able to begin the flow of federal funds early in the project, many times prior to the actual receipt of invoices for the work performed by contractors, thereby limiting the need for clients to tap into cash reserves or credit lines to pay contractors.

Moreover, SAIC also maintains full time staff in our Financial Recovery Services division to assist in the reimbursement of funds for our clients. Mr. Dick Hainje, who formerly served as FEMA Region VII Director, is SAIC's Director of Government Affairs. Mr. Hainje was responsible for providing full briefings to the President of the United States five times at the scene of major disaster operations; deployed over 2,000 emergency management employees following catastrophic disasters and is creating a Long Term Community Recovery (LTCR) process for FEMA Region VII. Additionally, Mr. Hainje was asked by Secretary Chertoff to serve as the Deputy PFO for the Mid-Atlantic States. Mr. Hainje is a full time staff member who helps our clients facilitate the reimbursement process and obtain clarification on FEMA policies that are, at times, difficult-to-impossible to obtain from on-the-ground FEMA personnel with limited understanding of FEMA policies and regulations.

Our data management and document storage procedures are tailored to facilitate FEMA review for the generation of project worksheet versions throughout the project. Our FEMA appeals and funding specialists have worked with FEMA closeout officers to obtain millions of previously de-obligated dollars for communities in South Florida, the Florida Panhandle and Mississippi.

In the field, SAIC's operations managers and field supervisors intimately understand FEMA rules and regulations for hand-loaded vehicles; stump, limb and tree removal at unit rates; volumetric load calls at disposal sites; and right-of-way (ROW) debris removal eligibility.

This allows us to monitor contracts to the minutest detail, while concurrently managing and documenting the operation using proven methodologies that maximize FEMA reimbursement.

8. How many years has your organization been in business? Does your organization have a specialty?

SAIC[1] was founded in 1969 as Science Applications, Inc. Our experience in disaster field monitoring and management services dates back to 1989, when we helped clients recover from Hurricane Hugo. In the 21 years since, we have helped over 180 clients recover from the damaging effects of hurricanes, tropical storms, tornadoes, floods, and ice storms across the country.

Examples of special programs SAIC has managed and administered in the past include the following:

- Beach remediation/restoration
- Marine/waterway debris removal
- Private property demolition/debris removal
- Animal carcass removal and disposal
- White goods debris removal
- Disposal site management
- Vessel and automobile removal
- Leaner, hanger, and stump removal
- Hazardous waste removal
- Food waste removal
- Subsurface storm drain debris removal
- Hazardous waste debris removal
- Nuisance abatement ordinance administration
- Saltwater killed tree removal

9. What is the last project of this nature or magnitude that you have completed? Please provide project description, reference and cost of work completed.

Disaster Debris Program Management

City of Galveston, Texas

Most recently, the firm worked with the City of Galveston, which is a barrier island in Southeast Texas. High winds and waters and a massive storm surge caused by Hurricane Ike resulted in catastrophic damage to the City. Following the storms passing, SAIC was activated under a pre-position contract to assist the City with disaster program management and debris monitoring efforts. SAIC initiated operations in the City by overseeing emergency roadway clearance activities. Next, SAIC assisted the City and their contract debris haulers – DRC Emergency Services and Ashbritt – in identifying and permitting debris management sites. Further, SAIC worked with City staff to design a program to collect the massive quantities of debris that resulted. To date, SAIC has overseen the removal and collection of 1.1 million cubic yards of mixed debris, 150,000 cubic yards of debris laden beach sand that lie in the public right of way following the storm, nearly 1 million pounds of household hazardous waste, 2,900 dangerous trees or limbs, 45,000 appliances, 6,000 electronic waste items, 3,000 pounds of dead animal carcasses, and nearly 500 flooded and abandoned vehicles. SAIC is also assisting the City in implementing its private property debris removal program (PPDR).

[1] *The BDR Division of Science Applications International Corporation (SAIC) formerly operated as Beck Disaster Recovery, Inc., which was acquired by SAIC in August 2009 and now operates as a fully integrated division of SAIC.*

The project manager was on site within one hour of notification from the City following search and rescue operations. SAIC had teams on the Island within 4 hours of notice to proceed and began recovery operations that included the hiring of roughly 170 staff.

In addition to this recent work, we have included additional project profiles at the end of this section that provides an overview of our qualifications and serves as a representative sample of SAIC's experience in assisting government entities with similar disaster recovery activities. We have also included a map that graphically depicts 22 different declared disaster events where SAIC has provided disaster recovery services

Exhibit C-2: SAIC Disaster Recovery Monitoring Experience

11. List of ALL disaster response contracts performed in the last 5 years, including customer name, total contract amount and yards removed.

A list of our disaster response contracts performed in the last five years is provided at the end of this section.

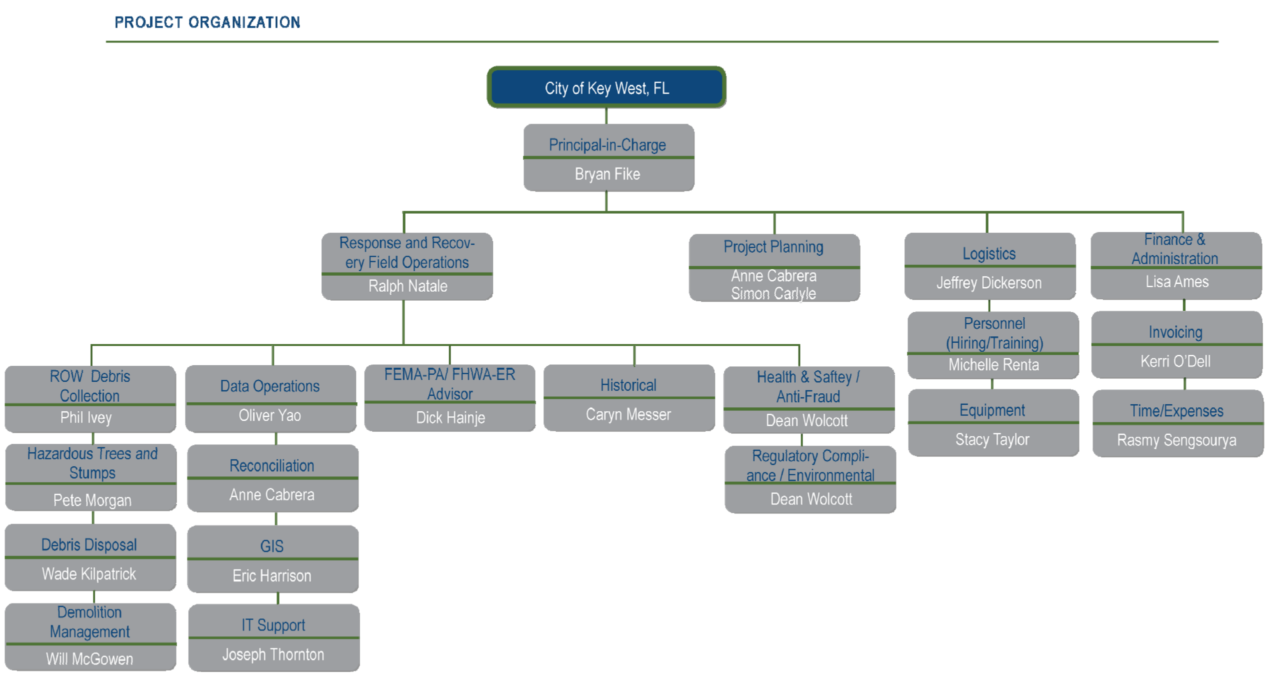
19. State the names of the proposed project team and include resumes, and give details of his or her qualifications and experience in managing similar work.

SAIC's staff consists of experienced emergency managers and disaster recovery professionals who possess hands-on experience in recent disasters and emergencies. SAIC's professional staff also boasts a wealth of experience with prevention, mitigation, preparedness, response, and recovery programs. SAIC has managed projects in response to every hurricane making landfall in the United States since 2004. This has included debris monitoring for 18 government entities, involving a minimum of 1 million cubic yards of debris each.

SAIC has successfully assisted numerous communities and organizations with disaster recovery efforts by providing a full range of services, including program management, disaster debris removal contracting and negotiations, temporary debris management site (TDMS) permitting, damage assessment, project staffing, reimbursement, and all aspects of field debris monitoring. Our efforts have allowed our clients to maintain their focus on continuing daily operations while relying on us to hit the ground running and oversee the management of debris removal operations and federal reimbursement. This allows clients to expedite the process of getting things back to normal as quickly and efficiently as possible, while complying with all FEMA guidelines and reimbursement procedures.

The organizational chart below identifies the proposed key personnel. More detailed information describing the team's experience, training, and education has been included in the key staff resumes at the end of this section.

Exhibit C-3: Organizational Chart



20. Names of the corporate officers, or partners, or individuals doing business under a trade name are as follows.

A list of SAIC's corporate officers is provided at the end of this section.

SECTION C – PROPOSER'S QUALIFICATIONS STATEMENT

PROFILES

SAIC
From Science to Solutions

Monroe County, Florida (Key West)

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1609 – DR, Florida, Hurricane Wilma

Project Quick Facts

Services

- Contract Management
- Program Management
- Collection/Disposal Monitoring
- Develop Zones and Zone Maps
- TDSRS Identification/Management
- Hauler Invoice Reconciliation
- FEMA Reimbursement

Project Statistics

Vegetative cubic yards -404,500
C&D cubic yards – 228,470
White goods – 17,500
Vessels - 378

Project Team

Nate Counsell – Principle In Charge
Wade Kilpatrick – Project Manager

Dates of Service

July 2005 – February 2006

Reference

Judith R. Clarke, P.E.
Assistant County Engineer
Engineering Division
1100 Simonton Street, Room 2-216
Key West, FL 33040
Phone: (305) 295-4329
Fax: (305) 295-4321
E-mail: Clarke-judith@monroecounty-fl.gov

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here were performed by BDR prior to the acquisition.)

Hurricane Wilma was the most intense hurricane ever recorded in the Atlantic basin and the fourth Category 5 hurricane of the record-breaking 2005 season.

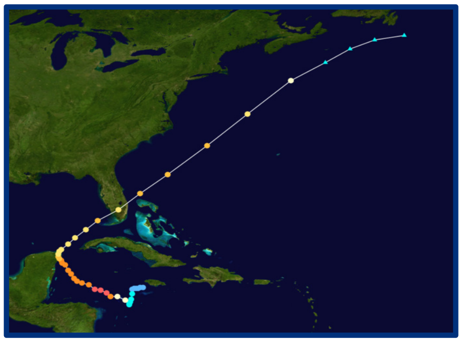
There is no area in the U. S. that is more frequently threatened by hurricanes than the County, most commonly known as the Florida Keys. After Hurricane Dennis grazed the Florida Keys in July 2005, BDR was retained to provide the FEMA-required disaster debris monitoring services. Recovery efforts in the Florida Keys were particularly challenging given the sensitive ecological environment and lengthy travel distance (approximately 150 miles) from end to end.

BDR was responsible for determining the roads eligible for FEMA and/or FHWA funding; working with the County's contract debris hauler to develop zones in which to assign collection subcontractors; identifying suitable locations for TDSRS locations; and providing oversight for the four TDSRS locations established within the County.

BDR's involvement included approximately 20 personnel performing project management, collection monitoring, disposal monitoring and data management functions. In addition to data entry and QA/QC of load tickets, BDR was responsible for reconciling debris contractor invoices and authorizing payment by the County.

Additionally, following Hurricane Wilma in 2005, BDR helped Monroe County pioneer a FEMA funded vessel recovery program, overseeing the removal of over 450 derelict vessels and over 60,000 crab traps.

From Science to Solutions



City of Naples, Florida

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1609 – DR, Florida, Hurricane Wilma

Project Quick Facts

Services

- Contract Management
- Program Management
- Collection/Disposal Monitoring
- Documentation Management
- Environmental Services
- Waterway Debris Monitoring
- Hauler Invoice Reconciliation
- FEMA Reimbursement

Project Statistics

Vegetative cubic yards - 163,203

Project Team

Nate Counsell – Principal In Charge
Phil Ivey – Project Manager
Ralph Natale – Operations Manager

Dates of Service

October 2005 – February 2006

Reference

Ben Copeland
Public Works Analyst
380 Riverside Circle
Naples, FL 34102
Phone: (239) 213-4745
Fax: (239) 213-4799
E-mail: bcopeland@naplesgov.com

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here were performed by BDR prior to the acquisition.)

Hurricane Wilma was the most intense hurricane ever recorded in the Atlantic basin and the fourth Category 5 hurricane of the record-breaking 2005 season.

Immediately following Hurricane Wilma's landfall, BDR was on-site mobilizing an emergency response team to provide comprehensive disaster recovery services. We provided comprehensive collection and disposal monitoring activities. Approximately 40 collection monitors were deployed daily to monitor collection activities. The portions of the City that received collection services were mapped on a daily basis so that the City had a near real-time understanding of the progress that was being made. BDR was also responsible for monitoring activities for hazardous stump removal, tree removal and private property ROE administration.

Perhaps the most important function BDR provided was that of data management. BDR staff entered and analyzed load tickets resulting from the debris monitoring process. We were also responsible for debris contractor invoice reconciliation and approval, as well as assisting City and FEMA staff with the preparation of Project Worksheets for approximately $9 million in FEMA funding.

From Science to Solutions

Miami-Dade County, Florida

DISASTER RECOVERY AND DEBRIS MANAGEMENT

FEMA – 1602 – DR, Florida, Hurricane Katrina
FEMA – 1609 – DR, Florida, Hurricane Wilma

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here was a project performed by BDR prior to the acquisition.)

After Hurricanes Katrina and Wilma struck Miami-Dade County in 2005, BDR immediately mobilized to the impacted region to provide debris management services. Within hours, BDR assembled and deployed a full disaster recovery team to assist with equipment staging and logistical operations, project staffing, and daily dispatching of field inspectors.

The project required a robust team of industry experts to navigate through the intricacies of the FEMA and FHWA funding programs due to the complexities of the roadway systems and the multitude of jurisdictions within Miami-Dade County. BDR implemented an aggressive operations schedule and within five days, all major arterial roads were cleared. In an ongoing effort to boost the local economy and provide employment opportunities to recently devastated communities, BDR hired approximately 1,000 local residents at the peak of operations.

BDR provided the full-range of monitoring services including truck certification, field monitoring, tower monitoring, ticket data entry and management and contractor invoice reconciliation. The team also managed a comprehensive leaner and hanger removal program for the Miami-Dade School District and Parks Department. In total, BDR orchestrated the removal of 5.5 million cubic yards of debris in the County.

Project Quick Facts

Services

- Collection Monitoring
- Disposal Monitoring
- Truck Certification
- Damage Assessments
- Data Management
- Invoice Reconciliation

Project Statistics

Vegetative cubic yards – 2 million
C&D cubic yards – 717,000
Disposal Sites - 5
Estimated Reimbursement - $23 million

Project Team

Principal in Charge – Jonathan Burgiel
Project Manager - Chuck McLendon
Operations Manager – Jonathan Schaefer
Data Manager – Kerri Genden

Dates of Service

August 2005 – October 2006

Reference

Ms. Kathleen Woods-Richardson,
Director, Solid Waste Management
2525 NW 62nd Street, 5th Floor
Miami, FL 33128
Phone: (305) 514-6628
Fax: (305) 514-6219
Email: kbw@miamidade.gov

From Science to Solutions

City of Orlando, Florida

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1539, 1545, 1561 – DR, Florida, Hurricanes

Project Quick Facts

Services

- Collection Monitoring
- Disposal Monitoring
- TDSRS Environmental Support
- Data Management/Payment Recommendation
- FEMA Audit Support

Project Statistics

Vegetative cubic yards – 1,000,000
Haulout cubic yards – 245,000
Debris management sites - 9
Contract Value - $4,345,460
Estimated reimbursement – $13 Million

Project Team

Jonathan Schaefer – Project Manager
Nathan Counsel – Operations Manager
John Hoyle – Data Manager

Dates of Service

September 2004 – March 2005

Reference

David Sloan, Director
Environmental Services Director
City of Orlando
400 South Orange Avenue
Phone: (407) 579-2446
Fax: (407) 246-2892
Email: david.sloan@cityoforlando.net

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here was a project performed by BDR prior to the acquisition.)

In the summer of 2004, the City Of Orlando was devastated by three major hurricanes. BDR staff immediately responded following Hurricane Charley to provide disaster management consultation and debris operations assistance. When Hurricanes Frances and Jeanne battered the already reeling City a few weeks later, BDR expanded existing recovery and clean-up efforts to include damage and debris caused by the subsequent storms.

BDR provided comprehensive disaster recovery program management services including planning and logistics, contractor selection and negotiations, site permitting, daily staffing and scheduling and oversight for debris collection and disposal monitoring. BDR supervised debris collection by the City's three contractors and provided site monitors to staff the City's six contractor and three residential debris management sites (DMS).

BDR coordinated with FEMA staff using global positioning systems technology to identify and locate tree stumps, hazardous trees and hanging branches for removal. In addition, BDR provided oversight and staffing for the City's fleet to backfill dangerous terrain following hazardous stump removal.

From Science to Solutions

Santa Rosa County, Florida

DISASTER RECOVERY AND STORM DEBRIS CLEAN-UP MANAGEMENT

FEMA – 1595 – DR, Hurricane Dennis

Project Quick Facts

Services

- Collection Monitoring
- Disposal Monitoring
- Leaner/Hanger Program Management
- DMS Permitting
- Data Management
- Invoice Reconciliation
- Zone and Map Development

Project Statistics

Vegetative cubic yards – 1,580,225

C&D cubic yards – 164,392

Hangers cubic yards– 13,689

Estimated Reimbursement - $18 million

Project Team

Principal in Charge – Charles McLendon

Project Manager - Jon Hoyle

Operations Manager - Nate Counsell

Data Manager – Joseph Thornton

Dates of Service

July 2005 – October 2005

Reference

Avis Whitfield

Public Works Director

6075 Old Bagdad Highway

Milton, FL 32583

Phone: (850) 623-2221

Fax: (850) 623-1331

Email: AvisW@co.santa-rosa.fl.us

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here was a project performed by BDR prior to the acquisition.)

After suffering the damaging impacts of Hurricane Ivan in 2004, the Florida Panhandle was once again threatened in July 2005 by Hurricane Dennis. Immediately following the storm, BDR was retained by Santa Rosa County to provide emergency debris management services.

Within hours of the storm passing, BDR deployed a full support team to assist County staff with emergency response efforts. The team conducted windshield damage assessments to estimate debris volume and identify the need for any specialized programs. BDR assisted debris removal contractors to identify and map the County's 51 collection zones to maintain a systematic and organize for mobilization. A team of analysts began certifying trucks for load capacity and meticulously managing the documentation. BDR understands the criticality of this documentation and the necessity of absolute accuracy to generate correct payment recommendations and requests for reimbursement.

The County identified seven debris management sites that BDR assisted with the obtaining appropriate permitting and approval from the Florida Department of Environmental Protection.

Within 72 hours of Dennis making landfall, BDR certified trucks, activated debris management sites, deployed crews to priority areas, and began the documentation process for federal reimbursement of damage related costs.

From Science to Solutions

City of Galveston, Texas

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1791 – DR, Texas, Hurricane Ike

Project Quick Facts

Services

- Collection and Disposal Monitoring
- Private Property Debris Removal Program
- Hazardous Waste Removal Program
- Vehicle/Boat Removal Program
- Waterways Clean-up
- Debris Management Site Environmental Support
- Data Management/Payment Recommendation
- FEMA Audit Support

Project Statistics

C&D cubic yards - 1,453,820

Vegetative cubic yards – 115,342

Sand cubic yards – 141,563

Tree removals – 5,662

Debris management sites – 2

Estimated reimbursement - $50,880,118

Project Team

Chuck McLendon – Project Manager

Bryan Fike – Operations Manager

Oliver Yao – Data Manager

Dates of Service

September 2008 – Present

Reference

Justin Bowling, Public Engineer
City of Galveston
823 Rosenburg
Galveston, TX 77553
Phone: (409) 797-3630
Fax: (409) 797-3631
E-mail: bowlingjus@cityofgalveston.org

The City of Galveston is a barrier island in Southeast Texas. High winds and waters and a massive storm surge caused by Hurricane Ike resulted in catastrophic damage to the City. Following the storms passing, SAIC was activated under a pre-position contract to assist the City with disaster program management and debris monitoring efforts. SAIC initiated operations in the City by overseeing emergency roadway clearance activities. Next, SAIC assisted the City and their contract debris haulers – DRC Emergency Services and Ashbritt – in identifying and permitting debris management sites. Further, SAIC worked with City staff to design a program to collect the massive quantities of debris that resulted. To date, SAIC has overseen the removal and collection of 1.1 million cubic yards of mixed debris, 150,000 cubic yards of debris laden beach sand that lie in the public right of way following the storm, nearly 1 million pounds of household hazardous waste, 2,900 dangerous trees or limbs, 45,000 appliances, 6,000 electronic waste items, 3,000 pounds of dead animal carcasses, and nearly 500 flooded and abandoned vehicles. SAIC is also assisting the City in implementing its private property debris removal program (PPDR).

The project manager was on site within one hour of notification from the City following search and rescue operations. SAIC had teams on the Island within 4 hours of notice to proceed and began recovery operations that included the hiring of roughly 170 staff.

SAIC
From Science to Solutions

City of New Orleans, Louisiana

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1604 – DR, Louisiana, Hurricane Katrina

Project Quick Facts

Services

- Contract Management
- Program Management
- Demolition Oversight
- QA Inspection Services
- Documentation Management
- ROE Administration
- Staff Augmentation
- Environmental Services

Project Statistics

Properties demolished - 1,502

Demolition cubic yards - 420,742

Vegetative cubic yards - 111,489

C&D cubic yards - 24,708

Project Team

Nathan Counsell – Principle In Charge

Eric Harrison – Project Manager

Joseph Thornton – Data Manager

Dates of Service

December 2007 – May 2009

Reference

Mr. Winston Reid

Director of Code Enforcement

City of New Orleans

1340 Poydras Street, Suite 1000

New Orleans, LA 70112

Phone: (504) 658-4200

Fax: (504) 658-4238

E-mail: whreid@cityofno.com

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client references presented in this section were projects performed by BDR prior to the acquisition.)

Immediately following the devastating storm, the US Army Corp of Engineers (USACE) was provided a direct federal mission by FEMA to coordinate recovery and debris removal efforts in the City of New Orleans. The USACE program managed operations for more than two years until their departure in August, 2007. Thousands more homes remained to be demolished. To accomplish this overwhelming task, the City retained BDR to serve as the comprehensive program manager for the effort. Examples of BDR's services to the City include documentation of legal authority to demolish properties, program management of environmental and utilities disconnect due diligence, contract management of the debris removal contractor retained by the City, management of all legal and reimbursement related paperwork to support reimbursement, and field monitoring as required to meet FEMA guidelines.

Concurrent to assisting the City with this very important demolition initiative, Hurricane Gustav impacted the City in August of 2008. Already mobilized, BDR assisted the City with documenting force account expenditures, deploying contracted debris removal resources, monitoring field work, developing debris removal documentation, and developing FEMA-PA and FHWA-ER grant applications. In total, BDR assisted the City of New Orleans with documentation and applications necessary to recover nearly $40 million in federal reimbursement.

From Science to Solutions

City of Cedar Rapids, Iowa

DEMOLITION MONITORING MANAGEMENT

FEMA – 1763 – 2008 Flooding

Project Quick Facts

Services

- Demolition Monitoring
- Data Management
- Historical Review
- Environmental Management

Project Statistics

Demolition tons – 26,726*
*Project to date

Project Team

Nate Counsell – Principle In Charge
Dean Wolcott – Debris Monitor Supervisor
Dick Hainje – FEMA Liaison

Dates of Service

May 2010 – Present

Reference

Mr. John Riggs
City of Cedar Rapids
Code Enforcement Division
1201 6th Street SW
Cedar Rapids, IA 52404
Phone: (319) 286-5841
E-mail: j.riggs@cedar-rapids.org

The Sinclair meat packing plant was once the largest facility of its kind and the original property development dates back to 1872. The property was one of several already targeted for redevelopment through the federal Brownfields program when the devastating floods of June 2008 hit the City of Cedar Rapids, Iowa. Twenty-five large industrial, asbestos-containing buildings have been targeted for demolition. The city retained SAIC to oversee demolition monitoring as well as environmental and historical reviews. The demolition is one of the largest of its kind in the nation.

SAIC currently manages the demolition monitoring program, which is expected to generate approximately 200,000 tons of debris. SAIC also closely reviews ongoing demolition work to ensure compliance with local, state, and federal regulations. The project includes the management of historically significant structures and the proper management of several types of hazardous waste.

SAIC®
From Science to Solutions

City of Houston, Texas

DISASTER DEBRIS PROGRAM MANAGEMENT

FEMA – 1791 – DR, Texas, Hurricane Ike

Project Quick Facts

Services

- Program Management
- DMS Permitting
- Collection/Disposal Monitoring
- Contractor Procurement
- Data Management
- FEMA Reimbursement

Project Statistics

Vegetative Cubic Yards – 3,937,351

C&D Cubic Yards – 1,531,814

Haul Out Cubic Yards – 1,089,428

Hangers – 210,747

Tree Removals – 1,732

Estimated Reimbursement - $80 Million

Project Team

John Buri – Project Manager

Ralph Natale – Operations Manager

Joseph Thornton – Data Manager

Dates of Service

September 2008 – October 2009

Reference

Harry Hayes, Director of Solid Waste

611 Walker Street, 12th Floor

Houston, TX 77001

Phone: (713) 579-2446

Fax: (713) 837-0050

Email: Harry.hayes2@cityofhouston.net

(BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The similar project experience and client reference presented here were performed by BDR prior to the acquisition.)

On the evening of September 12, 2008, Hurricane Ike made landfall in Texas leaving in its wake massive amounts of debris from high winds, inland flooding and storm surge. This devastating event affected nearly every home within the City of Houston, which since Hurricane Alicia 25 years ago, had enjoyed significant growth in both population and tree canopy. In response to Ike's impact on the nation's fourth largest City, BDR mobilized over 1,000 staff to manage and document the City's debris removal efforts. The City's debris removal contractor, activated to augment the 463 Force Account City trucks, mobilized over 4,082 pieces of hauling equipment from around the nation to remove the 5,600,000 cubic yards of vegetative and construction and demolition debris.

The debris removal efforts in Houston were of record setting scale and pace. Over 75% of the total quantity removed was removed in 36 days, with the single day peak total exceeding 219,000 cubic yards. Through public/private partnerships formed before and after the disaster, the City disbursed the debris to 22 private locations. The City was able to divert approximately 264,857 tons from the solid waste stream. This included erosion control at 5 landfills, material composting at 15 mulch facilities, and boiler fuel at 2 paper mills.

In addition to Right-of Way debris removal, BDR photo-documented and obtained FEMA reimbursement for one of the largest municipal hazardous trees and hanging limb removal programs in U.S. history. BDR managed before and after photographs, GPS coordinates, and unit rate tickets substantiating work performed on 212,479 City trees.

From Science to Solutions

Terrebonne Parish, Louisiana

PROGRAM MANAGEMENT AND GRANT ADMINISTRATION OF RESIDENTIAL DEMOLITION PROGRAM

FEMA – 1792 – DR, Louisiana, Ike

Project Quick Facts

Services

- Monitoring and Residential Demolition Program
- Debris Management Site Environmental Support
- Data Management/Payment Recommendation
- FEMA Audit Support

Project Statistics

Structures for Demolition – 252

Project Team

Bryan Fike – Principal in Charge

Jeff Newton – Project Manager

Danny Simpson – Operations Manager

Malia Hicks – Data Manager

Dates of Service

February 2010 – Present

Reference

Mr. Geoffrey S. Large

Assistant Director, Planning & Zoning

Terrebonne Parish Consolidated Government

8026 Main Street, Suite 401

Houma, LA 70361

Phone: (985) 873-6568

Fax: (985) 580-8141

E-mail: GLarge@tpcg.org

Following Hurricane Ike, Terrebonne Parish identified 650 residential structures rendered uninhabitable due to wind and flood damage. SAIC assisted the Parish in surveying and documenting these residential structures for submission to FEMA for Public Assistance funding. Of the properties submitted 250 residential structures were approved and scheduled for demolition.

As of February 2010, SAIC was tasked by the Parish to provide demolition program management and monitoring services in relation to the demolition of FEMA approved residential structures. Services provided by SAIC to the Parish include reimbursement documentation management, property posting, demolition scheduling, pre-demolition verification, and decommissioning and demolition monitoring.

SAIC understands firsthand the importance of reimbursement documentation management. Consequently, on behalf of the Parish, SAIC ensures that prior to the demolition of each residential structure the following documentation is complete in both electronic and hardcopy format:

- Owner verification
- FEMA approval
- State Historic Preservation Office approval
- Confirmation of no duplication of benefits
- Demolition permit
- 24 hour demolition notice
- Confirmation of public notice
- Confirmation of utility and gas disconnection

SAIC
From Science to Solutions

SECTION C – PROPOSER'S QUALIFICATIONS STATEMENT

CLIENT CONTRACTS LIST

From Science to Solutions

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2004	Lake County, Florida	Kristian Swenson 123 North Sinclair Avenue Tavares, FL 32778	$4,351,256.00
2004	Boca Raton, City of, Florida	Judi Ahern 201 West Palmetto Park Road Boca Raton, FL 33432	$560,920.00
2004	Escambia County, Florida	Sandra Jennings 223 Palafox Place Pensacola, FL 32501	$12,087,191.00
2004	Orlando, City of, Florida	David Sloan 400 South Orange Avenue Orlando, FL 32801	$4,345,459.00
2005	Lake County, Florida	Kristian Swenson 123 North Sinclair Avenue Tavares, FL 32778	$4,967,596.00
2005	Orlando, City of, Florida	David Sloan 400 South Orange Avenue Orlando, FL 32801	$4,345,459.00
2005	Santa Rosa County, Florida	Avis Whitfield 6075 Old Bagdad Highway Milton, FL 32583	$3,827,711.00
2005	Miami Dade Parks & Recreations, Florida	William Irvine 275 NW 2nd Street, Suite 505 Miami, FL 33128	$3,168,066.84
2005	Miami Dade Public School District, Florida	Dwayne Willis 12525 NW 28th Avenue Miami, FL 33167	$2,343,447.00
2005	Boca Raton, City of, Florida	Judi Ahern 201 West Palmetto Park Road Boca Raton, FL 33432	$1,709,928.00
2005	Cooper City, City of, Florida	Carl Miller 9070 SW 51st Street Cooper City, FL 33328	$1,613,597.00
2005	Naples, City of, Florida	Dan Mercer 380 Riverside Circle Naples, FL 34102	$1,127,347.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2005	Pembroke Pines, City of, Florida	Shawn Denton 13975 Pembroke Road Pembroke Pines, FL 33027	$1,051,722.00
2005	Tamarac, City of, Florida	John Dougherty 6011 Nob Hill Road Tamarac, FL 33321	$313,335.00
2005	Collier County Waterways, Florida	Margaret Bishop 2885 South Horseshoe Drive Naples, FL 34104	$121,876.00
2005	Jefferson County, Texas	Carl Griffith, Jr. 1149 Perl Street Beaumont, TX 77701	$4,007,406.00
2005	Escambia County, Florida	George Touart 223 Palafox Place Pensacola, FL 32501	$16,722.000.00
2005	Miami Dade County, Florida	Kathleen Richardson 2525 NW 62nd Street Miami, FL 33147	$16,217,980.00
2005	Fort Lauderdale, City of, Florida	Gregory D. Slagle 220 SW 14th Avenue, Bldg 4B Ft. Lauderdale, FL 33312	$5,568,027.00
2005	Pensacola, City of, Florida	Jerry Moore 100 W Lenard Pensacola, FL 32501	$5,382,521.00
2005	Hollywood, City of, Florida	Wade Sanders 1600 Southpark Road Hollywood, FL 33021	$5,186,573.00
2005	Monroe County, Florida	Judy Steele 1100 Simonton Street Key West, FL 33040	$4,037,404.00
2005	Plantation, City of, Florida	Frank DeCelles (Cheech) 400 NW 73rd Avenue Plantation, FL 33317	$3,176,947.00
2005	Miramar, City of, Florida	Tom Good 13900 Pembroke Road, Bldg L Miramar, FL 33027	$2,381,658.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2005	Marathon, City of, Florida	Michael Puto 10045-55 Overseas Highway Marathon, FL 33050	$1,011,268.00
2005	Volusia County, Florida	Becky Bishop 123 West Indiana Avenue Deland, FL 32720	$531,477.00
2005	Lighthouse Point, City of, Florida	Art Graham 4730 NE 21 Terrace Lighthouse Point, FL 33064	$220,799.00
2006	Greene County, Missouri	Dan Smith 933 North Robberson, Top Fl Springfield, MO 65802	$2,273,223.00
2006	Lebanon, City of, Missouri	Mike Moore PO Box 111 Lebanon, MO 65536	$115,626.00
2006	Springfield, City of, Missouri	Steve Meyer 1111 W. Chestnut Expressway Springfield, MO 65802	$4,044,625.00
2007	Genesee County, New York	Chester J. Kaleta 15 Main Street Batavia, NY 14020	$355,827.00
2007	Kenmore, Village of, New York	Mayor John W. Beaumont 2919 Delaware Avenue Kenmore, NY 14217	$161,080.00
2007	Lackawanna, City of, New York	Mayor Norman L. Polanski Jr. 714 Ridge Road Lackawanna, NY 14218	$158,751.00
2007	North Tonawanda, City of, New York	Dale Marshall, PE City Hall, 216 Payne Avenue North Tonawanda, NY 14120	$468,424.00
2007	Tonawanda, Town of, New York	Robert M. Morris 2919 Delaware Avenue Kenmore, NY 14217-2308	$875,302.00
2008	Webb City, City of, Missouri	Steven Garrett City Administrator 200 S. main Street Webb City, MO 64870	$59,664.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2008	Norman, City of, Oklahoma	Bob Hanger City Engineer PO Box 370 Norman, OK 73070	$659,212.00
2008	New Orleans, City of, Louisiana	Veronica White Department of Sanitation 1300 Perdido Street, Suite 1W03 New Orleans, LA 70112	$2,365,951.00
2008	St. John the Baptist Parish, Louisiana	Brenda Labat 1801 West Airline Highway LaPlace, LA 70068	$435,704.00
2008	Calcasieu Parish, Louisiana	Dick Gremillion Office of Homeland Security 911 Hodges Street, P.O. Drawer 3287 Lake Charles, LA 70602	$107,230.00
2008	Central City, City of, Louisiana	David Barrow 9339 Sullivan Road Central, Louisiana 70818	$260,182.00
2008	Iberville Parish, Louisiana	Randall Dunn 5050 Meriam Street Plaquemine, LA 70765	$804,392.00
2008	Lake Charles, City of, Louisiana	Donald Brinkman City Engineer 4331 Broad Street Lake Charles, LA 70615	$106,273.00
2008	St. Landry Parish, Louisiana	Jesse Ballards Director of Administration 118 South Court Street, Suite 133 Ope;ousas, LA 70570	$1,185,433.00
2008	Terrebonne Parish, Louisiana	Thomas Bourg Ultilities Director PO Box 2768 Houma, LA 70361	$2,333,261.00
2008	Thibodaux, City of, Louisiana	Kermit Kraemer Jr. Director of Public Works 1219 Henry S. Thibodaux Thibodaux, LA 70302	$625,796.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2008	Westlake, City of, Louisiana	Andrea Mahfouz 1001 Mulberry Street Westlake, LA 70669	$12,957.00
2008	Jefferson County, Texas	Carl Griffith, Jr. 1149 Perl Street Beaumont, TX 77701	$1,362,183.00
2008	Chambers County, Texas	Don Brandon County Engineer 7505 Highway 65 Anahuac, TX 77514	$2,250,972.00
2008	Fort Bend County, Texas	Jeff Braun Emergency Management Coordinator 301 Jackson Street Richmond, TX 77469	$2,794,660.00
2008	Harris County, Texas	Jeremy Phillips HCPID - Planning & Operations 10555 Northwest Freeway, Suite 220 Houston, TX 77092	$17,497,835.00
2008	Galveston County, Texas	John Simsen Emergency Management Coordinator 1353 FM 646 West, Suite 201 Dickinson, TX 77539	$1,528,736.00
2008	Orange County, Texas	Jeff Kelley Emergency Management Coordinator 123 South 6th Street Orange, TX 77630	$2,570,109.00
2008	Houston, City of, Texas	Dan Gutierrez Public Work Director 901 Bagby Houston, TX 77002	$23,650,280.00
2008	Galveston, City of, Texas	Justin Bowling Public Engineer 823 Rosenburg Galveston, TX 77553	$6,000,000.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

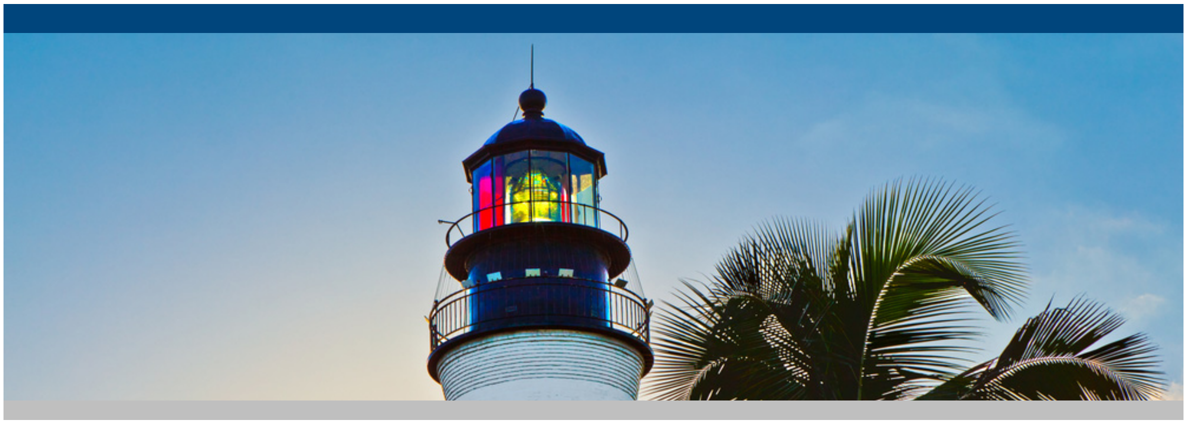
ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2008	Montgomery County, Texas	Brant Gary City Administrator 101 Old Plantersville Road Montgomery, TX 77316	$3,848,232.00
2008	Hidalgo County, Texas	J.D. Sainas, County Judge PO Box 1356 100 East Cano, 2nd Floor Edinburg, TX 78539	$1,687,725.00
2008	Hardin County, Texas	Billy Caraway County Judge 300 W. Monroe, P. O. Box 2996 Kountze, TX 77625	$1,522,433.00
2008	Cameron County, Texas	Carlos Cascos County Judge 1100 E. Monroe Street Brownsville, TX 78520	$1,299,760.00
2009	Sterling, Town of, Massachusetts	Bill Tuttle, Superintendent Department of Public Works 171 Worcester Road Sterling, MA 01564	$436,319.00
2009	Austell, City of, Texas	Mayor Joe Jerkins 2716 Broad Street, S.W. Austell, GA 30106	$164,441.00
2009	Daytona Beach, City of, Florida	Jim Sloane 950 Bellevue Avenue Daytona Beach, FL 32114	$5,105.00
2009	AR Game and Fish Commission	Dale Gunter 2 Natural Resources Drive Little Rock, Arkansas 72205	$823,713.00
2009	Texas Department of Transportation	Carla Blaze 125 E 11th St Austin, TX 78701	$5,000,000.00
2009	Terrebonne Parish, Louisiana	Geoffrey Large 8026 Main Street Houma, LA 70361	$1,300,000.00
2010	Escambia County, Florida	Jim Howes 13009 Beulah Road Cantonment, Florida 32533	$836,500.00

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

ACTIVE AND HISTORICAL
DISASTER DEBRIS MONITORING AND MANAGEMENT SERVICES
PROJECT LIST

YEAR	CLIENT	CONTACT	CONTRACT AMOUNT
2010	Cedar Rapids, City of, Iowa	Judy Lehman 3851 River Ridge Drive NE Cedar Rapids, Iowa 52402	$311,000.00
2011	New Orleans, City of, Louisiana	Jeff Hebert 1300 Perdido Street New Orleans, LA 70112	$7,900,000.00
2011	Raleigh, City of, North Carolina	Sally Thigpen 222 West Hargett Street Raleigh, NC 27601	$253,000.00



SECTION C – PROPOSER'S QUALIFICATIONS STATEMENT

RESUMES

SAIC®
From Science to Solutions

Bryan Fike

Project Role: Principal in Charge

From Science to Solutions

Education

University of North Florida, 1990
Political Science

Southwest Florida Fire Academy 1984
Florida Police Academy 1985

Key Areas of Expertise

- Collection and Disposal Monitoring
- Private Property Debris Removal
- Contract Management and Debris Contractor Procurement
- Property Assessment
- Demolition Monitoring
- FEMA Grant Administration
- Hazardous Waste Management
- FEMA Policy and Guidance
- FEMA 325, 44 CFR, Stafford Act

Training and Certifications

- FEMA Debris Management
- IS 632 Debris Operations in FEMA's PA Program
- IS 631 Public Assistance I & II
- Continuity of Operations
- ICS 100, ICS 200
- IS 393 Introduction to Hazard Mitigation
- HSEEP Certified (Homeland Security Exercise Evaluation Program)
- Member - Florida Emergency Preparedness Association

Representative Reference

Harry Hayes, Director of Solid Waste
City of Houston, Texas
Phone: 713.579.2446
Harry.hayes2@cityofhouston.net

Mr. Fike possesses 19 years of disaster response, recovery, and incident command experience, dating back to ***Hurricane Andrew's*** *devastating impact on South Florida in 1992.*

Throughout his career, which began in Firefighting and Law Enforcement, Mr. Fike has been involved in management of some of the largest and most destructive events to ever impact the United states.

Mr. Fike served as Client Liaison and Principal-in Charge during response and recovery efforts in the City of Galveston and the City of Houston, as well as many of the coastal Texas cities most severely impacted by the damaging winds and floodwaters of ***Hurricane Ike*** *in 2008. In this capacity, Mr. Fike was responsible for overseeing debris monitoring and overall project operations, as well as advising local leaders on reimbursement policies and procedures. Mr. Fike also managed flood recovery projects in Cedar Rapids, Iowa in 2008 and Snohomish County Washington in 2009. In 2007 & 2008 Mr. Fike managed events throughout the State of Oklahoma following the devastating Ice Storms which battered that region. In 2005 & 2006.*

Mr. Fike managed ***Hurricane Katrina*** *related storm recovery projects across the Mississippi Gulf Coast and in 2004 & 2005 he served as operations manager for debris removal operations in South Florida following Hurricanes Wilma, Charlie, Frances, Ivan, and Jean.*

Relevant Highlights

- Serves as BDR's debris management training steward
- Extensive knowledge of federal, state, and local regulations pertaining to solid waste management, hazardous waste management, and Federal Emergency Management Agency (FEMA), Department of Transportation (DOT), Occupational Safety and Health Administration (OSHA), and Federal Highway Administration (FHWA) regulations, policies, and reimbursement processes
- Expert in FEMA Public Assistance Policy

Representative Experience

- Disaster Debris Program Management – City of Cedar Rapids, Iowa – Project Manager
- Debris Removal Program Management – City of Galveston, Texas – Project Manager
- Disaster Recovery Services – Galveston County, Texas (Bolivar Peninsula) – Project Manager
- Disaster Debris Program Management – Jackson County, Mississippi – Project Manager
- Disaster Debris Program Management – Snohomish County, Washington – Project Manager

Ralph A. Natale

Project Role: Response and Recovery Field Operations

Education

N.J. Institute of Technology
B.S. in Chemical Engineering, (In Progress)

Key Areas of Expertise

- Disaster debris removal program management processes and procedures.
- reimbursement
- Grant management for FEMA, FHWA, NRCS
- Collection/Disposal Program Management
- Private Property Right-of-Way Debris Removal Monitoring

Training and Certifications

- HSEEP Certified
- OSHA Asbestos Health & Safety
- IS 30 – Mitigation Grants System
- ICS 100, 200 and 700 – Incident Command System and NIMS
- IS 630 – Introduction to the Public Assistance Process
- IS 631 – Public Assistance Operations
- IS 632 - Debris Operations
- OSHA 8-hour Asbestos Training

Representative Reference

Harry Hayes, Director of Solid Waste
611 Walker Street, 12th Floor
Houston, TX 77001
Phone: (713) 579-2446
Fax: (713) 837-0050
Email: Harry.Hayes@houstontx.gov

Ralph Natale serves as a deputy division manager for the Response and Recovery division of SAIC. Over the past six years Mr. Natale has focused his efforts developing and improving the SAIC process for program management. These processes ensure the most efficient methods managing debris removal programs to maximize federal reimbursement encompassing the FHWA, NRCS or FEMA 322, 325, 327 guidelines. Mr. Natale has successfully served clients as a project manager, data manager and operations manager on some the of country's largest debris generating disasters including Hurricane Katrina, Hurricane Wilma, and most recently Hurricane Ike in Houston, Texas.

Currently Mr. Natale leads project managers in the field where he provides daily project support. Mr. Natale provides project oversight and leads his team on health and safety issues, reimbursement policies, fraud prevention protocols, and maintaining project financials. He is also developing a training program for the Texas Department of Transportation to be implemented state-wide and educate applicants on the FHWA-ER program.

Relevant Highlights

- Experienced in all aspects of debris response and recovery operations including mobilization, logistics and debris collection and disposal.
- Extensive understanding of the documentation process for reimbursement programs including developing project worksheets, quality control of field documents and invoice reconciliation.
- Managed the firm's largest hazardous tree removal program for the City of Houston after Hurricane Ike, with over 214,000 hazardous trees accompanied by 630,000 photographs to document eligibility
- Served as the lead data manager for Houston's invoice reconciliation of over $110 million in invoices and over $3 million in FHWA funds
- Managed the cleanup of 62 miles of waterways thought the Florida everglades in Collier County utilizing NRCS funding

Representative Experience

- Cedar Rapids, Iowa – 2008 – Ongoing Midwest Flooding – Demolition Program – Project Controller
- Terrebonne Parish, Louisiana – 2008 – Ongoing Hurricane Ike – Demolition Programs – Project Controller
- City of Houston, Texas – 2008 – 2010 Hurricane Ike - Project manager / Operations Manager / Data Manager
- City of Central, Texas – 2008 Hurricane Gustav - Project Manager
- Hidalgo County, Texas - 2008 Hurricane Dolly – Operations Manager
- City of Naples, Florida – 2005 - 2006 Hurricane Wilma – Operations Manager / Data Manager
- Town of Tonawanda, New York - 2006 Buffalo Snow Storms - Operations Manager / Data Manager

Anne Cabrera

Project Role: Project Planning/Reconciliation

From Science to Solutions

Education

Florida Atlantic University
B.A. in Liberal Arts

Key Areas of Expertise

- Data Management
- FEMA Compliance Monitoring
- Invoice Reconciliation
- Reimbursement Policies and Procedures
- Database Systems
- FEMA Compliance Monitoring
- Disaster Debris Management
- Field Monitoring
- Project Staffing
- Multi-Agency Coordination
- FEMA Reimbursement

Representative Reference

Priscilla Richards
City of Plantation, Florida
Phone: 954.797.2723
prichards@plantation.org

Ms. Cabrera has worked on almost every major post-disaster contract since Hurricane Wilma in 2005, performing invoice reconciliation and other related tasks. She routinely serves as data manager, responsible for contractor invoice reconciliation, data exports, project worksheet allocation, project progress reports and tracking systems. She has worked on behalf of cities and counties throughout the southeastern U.S., working to prepare for, respond to and recover from natural and man-made disasters, including hurricanes, tornadoes and snow and ice storms.

Ms. Cabrera assisted with the invoice reconciliation of projects in Texas and Louisiana from Hurricanes Dolly, Gustav and Ike. She has been an integral part of updating the BRMS system which maintains field documentation. She has been working with teams to improve the quality control process to minimize discrepancies in field documents before tickets are sent to a data center. She has grown and mentored her staff to become experts in the reconciliation process. She has strong client relations and is a highly regarded expert in the debris management industry.

Representative Highlights

- Serves as the invoice reconciliation specialist on all current BDR projects
- Trains and mentors new staff on processes and procedures
- Comprehensive understanding of all aspects of debris management and the FEMA Public Assistance program
- Coordinates with state and local officials to ensure accurate documentation and payment recommendation for FHWA and FEMA funded work.

Career Highlights

- City of Galveston, Texas - 2008 Hurricane Ike, Program Management Services– Data Manager/Invoice Reconciliation
- City of Beaumont, Texas - 2008 Hurricane Ike, Program Management Services – Data Management Invoice Reconciliation
- St Landry Parish, Louisiana - 2008 Hurricane Gustav, Program Management Services – Invoice Reconciliation
- City of Ft. Lauderdale, Florida - 2005 Hurricane Wilma, Disaster Debris Program Management - Field Supervisor
- St. John the Baptist Parish, Louisiana – 2009, CDBG Administration – Data Manager

Simon Carlyle

Project Role: Project Planning

From Science to Solutions

Education

Onondaga Community College
A.A. in Radio and Television Production

Key Areas of Expertise

- Disaster Debris Management
- Private Property Programs
- Leaner / Hanger Programs
- FEMA Reimbursement
- Debris Site Permitting
- Training/Certifications

Representative Reference

Dan Smith, Highway Administrator
Greene County, Missouri
Phone: 417.831.3591
dsmith@greenecountymo.org

Mr. Carlyle has been directly involved in all phases of disaster recovery efforts, including emergency push, right of way collection monitoring, leaner/hanger/stump programs, ditch cleaning, marine operations, and numerous other disaster recovery programs. Through his disaster recovery experience, Mr. Carlyle has developed significant knowledge of federal, state and local regulations pertaining to solid and hazardous waste management. He is also intimately familiar with the regulations, policies and reimbursement processes of FEMA, FHWA, NRCS, FDOT, and other funding agencies. Mr. Carlyle has been responsible for providing program and project management in response to some of the largest debris-generating disaster to hit this country including the active hurricane seasons in 2004 and 2005, which included Hurricane Katrina.

Representative Highlights

- Experienced in all aspects of disaster debris program management operations
- Has been directly involved in debris removal operations projects throughout Florida, Texas, Mississippi, Louisiana, Missouri, and New York
- Directly involved in all phases of disaster recovery efforts, including disaster management response, debris management and monitoring and FEMA compliance monitoring protocol and reimbursement policies
- Significant knowledge of federal, state, and local regulations pertaining to disaster debris management and site permitting
- Vast knowledge of TDSRS siting/permitting, truck certification, and disposal monitoring

Career Highlights

- Arkansas Game and Wildlife Commission – 2009 Ice Storms, Disaster Debris Program Management – Project Manager
- Terrebonne Parish, Louisiana – 2008 Hurricane Gustav, Disaster Debris Program Management - Project Manager
- Iberville Parish, Louisiana – 2008 Hurricane Gustav, Disaster Debris Program Management - Operations Manager
- City of New Orleans, Louisiana – 2005 Hurricane Katrina, Disaster Debris Program Management – Operations Manager
- City of Miramar, Florida – 2005 Hurricane Wilma, Disaster Debris Program Management – Project Manager
- City of Ft. Lauderdale, Florida – 2005 Hurricane Wilma, Disaster Debris Program Management - Project Manager
- City of Waveland, Mississippi – 2005 Hurricane Katrina, Disaster Debris Program Management – Project Manager

Phil Ivey

Project Role: ROW Debris Collection

From Science to Solutions

Key Areas of Expertise

- FEMA Compliance Monitoring and Auditing Oversight
- Collection/Disposal Monitoring
- Private Property ROE Debris Removal Administration
- Field Operations and Logistics Support
- Public Assistance Administration

Trainings and Certifications

- OSHA 510: 40-hour Construction Safety
- OSHA 40-hour HAZWOPER
- OSHA 7600 Disaster Site Worker
- OSHA 10-hour Construction Safety
- NIMS IS-00700

Mr. Ivey is a Project Manager for SAIC. In this role he provides FEMA related guidance and Public Assistance administration during times of activation based on his extensive experience in managing disaster recovery efforts. This includes collection and disposal of debris, developing Project Worksheets to accurately record the data to ensure proper reimbursement, payment reconciliation and the local, state and federal regulations and policies governing debris collection and disposal.

Mr. Ivey served in a similar capacity, overseeing recovery operations on some the of country's largest debris generating disasters including Hurricanes Katrina, Wilma, Dennis and Ivan; the ice storms, which hit the Buffalo, New York area in October 2006 and most recently the Groundhog Day Tornados, which swept through central Florida in February 2007. In the past two years, he has worked in communities stretching from the gulf coast region to upstate New York providing disaster recovery operations to ensure compliance with all FEMA and other reimbursement agency regulations.

Relevant Highlights

- Has been directly involved in debris removal operations projects throughout Florida, Texas, Mississippi, Louisiana, Massachusetts, and New York
- Private Property ROE Debris Removal Administration
- OSHA 510: 40-hour Construction Safety, OSHA 40-hour HAZWOPER, OSHA 7600 Disaster Site Worker, OSHA 10-hour Construction Safety
- IS-00700 National Incident Management System (NIMS) Certification

Representative Experience

- Disaster Debris Management Services – Collier County, FL
- Disaster Recovery Services – City of Houston, Texas
- Disaster Debris Monitoring Services – Hidalgo County, Texas
- Post-Katrina Program Management – City of New Orleans, Louisiana
- Ice Storm Management Program – City of Norman, Oklahoma
- Tornado Disaster Debris Monitoring – Volusia County, Florida
- Waterway Reimbursement Assistance – Collier County, Florida
- Comprehensive Ice Storm Management Program – Town of North Tonawanda, New York
- Comprehensive Disaster Management – Escambia County, Florida
- Disaster Debris Program Management – City of Pensacola, Florida

William Pete Morgan

Project Role: Hazardous Trees and Stumps

From Science to Solutions

Education

Naval Postgraduate School
M.S. in Oceanography and Meteorology
United States Naval Academy
B.A. in Oceanography

Key Areas of Expertise

- Supervising Field Operations
- Collection/Disposal Monitoring
- FEMA Compliance Monitoring and Auditing Oversight
- Operational Scheduling
- Logistics Coordination
- Training/Certifications
- U.S. Navy Search and Rescue Helicopter Pilot
- U.S. Navy Combat Logistics Helicopter Pilot
- Shipboard and Aviation Firefighting Certifications
- Navy Afloat Safety Officer Training
- Nuclear Weapons Logistical Movement by Aircraft Course
- Navy Leader Development Program Division Officer Course

Mr. Morgan is an operations manager for SAIC, where he is responsible for the logistics coordination and supervision of cleanup efforts following presidentially declared disasters, including hurricanes, tornadoes, and snow and ice storms. As a result of this experience, Mr. Morgan has developed an extensive understanding of federal, state and local regulations, protocols, processes and guidance with respect to homeland security, disaster preparedness, response, recovery and mitigation. Mr. Morgan's prior experience included coordination and execution of special Pentagon defense projects and domestic disaster recovery operations for the U.S. Navy. Mr. Morgan was part of the team that assisted the Arkansas Game and Wildlife Commission with managing and monitoring leaner/hanger and debris removal from three wildlife management areas in Northern Arkansas. The project marked the first time the Federal Emergency Management Agency (FEMA) approved debris removal from a forest area.

Representative Highlights

- Responsible for the logistics coordination and supervision of clean-up efforts following presidentially declared disasters including hurricanes, tornadoes and snow and ice storms
- Developed an extensive understanding of federal, state, and local regulations, protocols, processes and guidance with respect to homeland security, disaster preparedness, response, recovery and mitigation
- Experienced in coordination and execution of special Pentagon defense projects and domestic disaster recovery operations for the United States Navy
- Assisted the Arkansas Game and Wildlife Commission manage and monitor debris removal from three wildlife management areas in Northern Arkansas

Career Highlights

- Arkansas Game and Wildlife Commission – 2009 Ice Storms, Disaster Recovery Services – Operations Manager
- Town of Sterling, Massachusetts – 2009 Snow Storms, Disaster Debris Removal Monitoring – Operations Manager
- Town of Spencer, Massachusetts – 2009 Snow Storms, Ice Storm Program Management – Operations Manager
- City of Houston, Texas - 2008 Hurricane Ike, Recovery Operations – Operations Manager

Wayne Kilpatrick

Project Role: Debris Disposal

SAIC
From Science to Solutions

Key Areas of Expertise

- Field Operations and Logistics
- Debris Management
- Right of Entry Programs
- Beach Remediation
- FHWA-ER Program Management and Consultation
- Project Staffing
- Waterway Cleanup

Grant Programs

- OSHA 510: 40-Hour Construction Safety
- OSHA 40-Hour HAZWOPER
- OSHA 7600 Disaster Site Worker
- OSHA 10-Hour Construction Safety
- IS-00700: NIMS, An Introduction

Representative Reference

Judith Clarke
Assistant County Engineer
Monroe County, Florida
Phone: 305.295.4329
clarke-judith@monroecounty-fl.gov

Mr. Kilpatrick is an operations and project field manager. Mr. Kilpatrick has an intimate understanding of all aspects of emergency debris removal monitoring work activities from both the contractor and monitoring perspective. Mr. Kilpatrick is experienced in all aspects of disaster planning and recovery, including mobilizing response teams, permitting debris sites, staging logistics, and Federal Emergency Management Agency (FEMA) compliance monitoring protocol and reimbursement policies. He also provides private property right-of-entry administration, waterways clean-up and beach remediation services.

Through his disaster recovery work, Mr. Kilpatrick has developed significant knowledge of federal, state and local regulations pertaining to solid waste management, hazardous waste management, FEMA, Department of Transportation (DOT), Florida Department of Labor (FDOL), Occupational Safety and Health Administration (OSHA), and Federal Highway Administration (FHWA) regulations, policies, and reimbursement processes.

Relevant Highlights

- Has managed recovery projects from a multitude of natural disasters
- Experienced in mobilizing first response teams, assisting with staging operations, dispatching, and logistics operations for field inspectors assigned to storm debris cleanup
- Experienced in providing damage assessment and deploying push crews
- Experienced in providing damage assessment and deploying push crews
- Assisted numerous clients in permitting and managing TDSRS
- Project manager for Monroe County, Florida, and City of Marathon, Florida following the 2004 and 2005 hurricane seasons
- Assistant project manager for City of New Orleans demolition program

Representative Experience

- Post-Katrina Program Management – City of New Orleans, Louisiana – Assistant Project Manager
- Disaster Recovery Services – City of Manvel, Texas – Data Manager
- Disaster Recovery Services – Hardin County, Texas – Data Manager
- Public and Private Property Debris Removal Program – City of Gulfport, Mississippi – Operations Manager
- Comprehensive Ice Storm Management – Town of North Tonawanda, New York – Project Manager
- Snow Storm Recovery Program Management – Amherst, New York – Senior Field Supervisor

Will McGowen

Project Role: Demolition Management

SAIC
From Science to Solutions

Key Areas of Expertise

- Field Operations and Logistics
- Project Staffing
- FEMA Compliance Monitoring
- Public Assistance Support
- ROE Administration

Trainings and Certifications

- OSHA 510: 40-Hour Construction Safety
- OSHA 40-Hour HAZWOPER
- OSHA 7600 Disaster Site Worker
- OSHA 10-Hour Construction Safety
- NIMS IS-00700

Mr. McGowen is an operations and project field manager for with over four years of field experience in helping clients respond to and recover from hurricanes, tornados, and ice storms.

Mr. McGowen has an intimate understanding of all aspects of emergency debris removal monitoring work activities from both the contractor and monitoring perspective. This includes a unique understanding of the eligibility and compliance requirements for accurate reimbursement from the Federal Emergency Management Agency (FEMA) and other funding agencies, preparing project worksheets to support debris estimates, and providing guidance regarding the laws, policies, and regulations associated with monitoring debris removal, collection, and disposal during declared disasters.

Mr. McGowen is also experienced in all aspects of disaster planning and recovery efforts, including mobilizing response teams, permitting temporary debris storage and reduction sites (TDSRS), staging logistics, and FEMA compliance monitoring protocol and reimbursement policies.

Relevant Highlights

- Specializes in providing comprehensive disaster program management recovery services
- Extensive disaster debris experience, including staffing logistics, FEMA compliance monitoring, mobilizing response teams, monitoring reimbursement policies, and managing day-to-day field activities
- Managed the monitoring of debris removal for many of the firm's recent ice/snow storm work, including Genesee County, New York and Springfield, Missouri

Representative Experience

- Winter Storm Disaster Program Management – Springfield, Missouri – Field Supervisor
- Comprehensive Ice Storm Program Management – Town of North Tonawanda, New York – Monitoring Supervisor and Operations Support
- Comprehensive Disaster management Program – Escambia County, Florida – Collection and Disposal
- Disaster Debris Program Management – City of Pensacola, Florida – Comprehensive Disaster Management Program – Debris Monitoring Supervisor

Oliver Yao

Project Role: Data Operations

From Science to Solutions

Education

Rollins College
Crummer School of Business
Master of Business Administration
Rollins College
Bachelor of Arts in Economics

Key Areas of Expertise

- Data Management
- FEMA Reimbursement Support
- Contractor Invoice Reconciliation
- FEMA Compliant Disaster Planning

Trainings and Certifications

- FEMA IS-00546: Continuity of Operations (COOP) Awareness Course
- FEMA IS-00547: Introduction to COOP

Mr. Yao serves as a data manager responsible for contractor invoice reconciliation, data exports, project worksheet allocation, project progress reports and tracking systems, and disaster debris management plans. Mr. Yao has been responsible for providing data management and reimbursement support in response to some of the largest debris-generating disasters to hit the United States, including Hurricane Katrina and Ike.

At the peak of operations during following Hurricane Ike, Mr. Yao and his team processed over 25,000 load tickets per day with operations running 24 hours a day, seven days a week in four locations across the southeast United States. Mr. Yao was responsible for the two data centers in Orlando while coordinating with teams in Tampa, Pensacola, and Houston. Mr. Yao continues to work on the Federal Emergency Management Agency Public Assistance Program (FEMA PA) closeout and audit process by providing backup documentation for debris removal. He has also been an integral part of SAIC's internal improvement process following storms by significantly contributing to the enhancement of the SAIC Training Program. Mr. Yao has mentored staff to build a team of expert data quality specialists.

Relevant Highlights

- Currently manages data for the FEMA PA closeout process
- Major contributor to improved processes, training program, and database maintenance
- Oversaw data management efforts associated with Hurricanes Wilma, Dolly, Gustav, and Ike
- Significant experience with Federal Highway Administration (FHWA) debris removal and data management policies

Representative Experience

- Disaster Response Assistance and Invoice Reconciliation - City of Houston, Texas – Data Manager
- FEMA-Compliant Disaster Debris Management Plan – Escambia County, Florida – Debris Management Plan
- Post-Ike Program Management Services - City of Galveston, Texas – Data Manager
- Debris Management Plan – Seminole County, Florida – Debris Contractor Procurement
- Disaster Recovery Program Management and Public Assistance – Harris County, Texas - Data Manager
- Disaster Recovery Services – St. Landry parish, Louisiana – Data Manager
- Post-Ike Program Management Services – City of Galveston, Texas – Data Manager

Eric Harrison

Project Role: GIS

Education

Devry Institute of Technology

Bachelors of Science in Electronics Engineering Technology

Key Areas of Expertise

- GIS Mapping
- Operations Management
- FEMA Compliance Monitoring and Auditing Oversight
- Logistics

Trainings and Certifications

- OSHA 510: 40-Hour Construction Safety
- OSHA 40-Hour HAZWOPER
- OSHA 7600 Disaster Site Worker
- OSHA 10-hour Construction Safety
- NIMS IS-00700

Representative Reference

Nelson Savoie

City of New Orleans, Louisiana

Phone: 504.658.7200

nsavoie@cityofno.com

Since the 2004 hurricane season, Mr. Harrison has focused his efforts on assisting communities with disaster recovery efforts. Mr. Harrison is a geographic information specialist (GIS) specialist with experience in project and database management. He is experienced in using GIS technology to develop zone and routing maps for disaster recovery projects. Mr. Harrison is experienced in mobilizing response teams, staging logistics, and permitting debris sites.

Mr. Harrison served as project manager for debris removal efforts for the City of Pembroke Pines, FL. He also served as deputy project manager for the City of New Orleans residential demolition program. In this role, he was responsible for managing a complex database, document management, and a GIS program that tracked the status of all properties being considered for demolition.

Relevant Highlights

- Extensive experience with GIS applications for Federal Highway Administration (FHWA) reporting
- Deputy project manager for City of New Orleans
- Serves as a SAIC's GIS manager responsible for post-event planning operations
- Knowledgeable in using GIS technology to develop zone and routing maps for disaster recovery projects
- Has worked on behalf of cities and counties throughout the United States, working to prepare for, respond to, and recover from natural and man-made disasters, including hurricanes, tornadoes, and snow and ice storms

Representative Experience

- Debris Management Plan - Seminole County, Florida – GIS Manager
- Debris Management Plan - Broward County, Florida – GIS Manager
- Post-Katrina Program Management - City of New Orleans, Louisiana – Deputy Project Manager/ GIS Manager
- Private Property Debris Removal Program Management - City of Gulfport, Mississippi – GIS Specialist
- Snow Storm Debris Monitoring – Village of Kenmore, New York – Operations Manager
- Snow Storm Debris Monitoring – Town of Amherst, New York - Field Supervisor
- Snow Storm Recovery Program Management - Greene County, Missouri – Operations Manager
- Disaster Recovery Services - City of Orlando, Florida – Operations Manager
- Disaster Recovery Services - City of Pembroke Pines, Florida – Project Manager
- Disaster Recovery Services - Monroe County, Florida – Field Supervisor

Richard Hainje

Project Role: FEMA-PA / FHWA-ER Advisor

Education

Mid American Nazarene University
B.A. Management and Human Relations

Killian College
A.S. in Fire Science

Key Areas of Expertise

- Local, state and federal emergency management and disaster response and recovery funding
- Post-disaster emergency housing
- Grant writing, administration and implementation

Mr. Hainje serves as a Director of Government Affairs. He has extensive experience working with senior first responders as well as local, state and federal elected officials during times of crisis. This has included providing full briefings to the President of the United States five times at the scene of major disaster operations, most recently in Cedar Rapids, Iowa, following the heavy flooding in the area.

As former Regional Administrator of FEMA Region VII for eight years, Mr. Hainje was responsible for the preparedness, response, recovery and mitigation of all disasters in Kansas, Iowa, Nebraska and Missouri, and led the region through over 40 presidentially declared disasters. Due to the devastating results caused by Hurricane Katrina, Secretary Chertoff chose Principal Federal Official (PFO) teams for the 2006 hurricane season. Mr. Hainje was asked by Secretary Chertoff to serve as the Deputy PFO for the Mid-Atlantic States. In this role, Mr. Hainje was involved with every aspect of preparation for all of the states from Georgia to Delaware. He led exercises in Region IV and in Region III and worked with each state on evacuation plans and commodity distribution plans.

Relevant Highlights

- Served as Director of FEMA Region VI for 8 years
- Lead FEMA representative for more than 40 presidentially declared disasters including Midwest floods (2006)

Representative Experience

- FEMA – Regional Director
- Former South Dakota State Senator
- City of Chicago, IL – Senior Advisor
- Texas Department of Transportation – Senior Advisor
- Cedar Rapids, IA Flooding – FEMA Regional Director
- Greensboro, KS Tornado – FEMA Regional Director

Caryn Messer

Project Role: Historical

SAIC® From Science to Solutions

Education

Florida State University
Bachelor of Science in Political Science

Key Areas of Expertise

- Statewide Evacuation Planning
- Emergency Management
- Public Assistance Programs
- Training Exercises and Drills
- Debris Operations
- Emergency Call Centers
- Grant Administration
- Continuity Planning

Trainings/Certifications

- HSEEP Certified
- FEMA Professional Development Series Certification
- FEMA IS 100 Introduction to ICS
- FEMA IS 120 Introduction to Exercises
- FEMA IS 139 Exercise Design
- FEMA IS 200 ICS for Single Resources and Initial Action Incidents
- FEMA IS 253 Coordinating Environmental and Historic Preservation Compliance
- FEMA IS 324 Community Hurricane Preparedness
- FEMA IS 547 Introduction to Continuity Planning
- FEMA IS 700 National Incident Management System
- FEMA IS 800 National Response Plan
- FEMA G 300 Intermediate ICS

Ms. Messer is an Emergency Management Consultant with extensive experience in the development of emergency plans for SAIC clients nationally, including continuity of operations (COOP) plans, emergency operations plans, comprehensive emergency management plans and debris management plans. As a trained Homeland Security Exercise and Evaluation Program (HSEEP) controller/evaluator, she also assists in the development of exercise materials used to support field exercises nationally. Ms. Messer has developed internal training and exercise programs company-wide to streamline the post-event mobilization, operations and demobilization processes. She has worked with staff, contractors and clients to document the lessons learned from Hurricane Ike, and developed an after- action report and improvement plan which has been implemented by internal policies throughout the past year.

Relevant Highlights

- Former planner for Florida Department of Emergency Management
- FDEM debris liaison for Ground-Hog Day Tornadoes (Lake and Volusia Counties)
- Authored numerous FEMA – approved debris management plans
- Oversaw call center operations for various clients after Hurricane Ike
- Assisted state agencies with the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program primarily coordinating the reimbursement for Category A: Debris Removal projects
- Served as an intern for the Florida Department of Community Affairs where she was responsible for compiling and updating hurricane evacuation clearance times, coastal high hazard zones and vulnerable population information from county emergency managers and participating in state-wide preparedness exercises
- Researched hundreds of public assistance appeals from FEMA for each of the 2004/2005 storms that impacted Florida

Representative Experience

- Ice Storm Disaster Debris Monitoring - City of Norman, Oklahoma – Logistics Support
- Disaster Debris Management Planning Program - City of Venice, Florida – Project Manager
- Continuity of Operations Plan - Collin County, Texas – Facilitator/Consultant
- Continuity of Operations Tabletop Exercise – Ramsey County, Minnesota – Facilitator
- Continuity of Operations Plan – City of Aurora, Illinois – Project Manager
- Business Continuity Plan – Areas USA, Inc. – Project Manager
- Debris Management Planning – Osceola County Emergency Management, Florida – Planner

Dean Wolcott, P.G.

Project Role: Health and Safety/Anti-Fraud and Regulatory Compliance/Environmental

From Science to Solutions

Education

Tulane University
Bachelor of Science in Geology

Key Areas of Expertise

- Environmental Consulting
- Disaster Recovery
- Debris Monitoring
- Debris Site Permitting
- Scheduling
- FEMA Reimbursement
- FHWA Procedures

Representative Reference

Greg Bush, Public Works Director
Terrebonne Parish, Louisiana
Phone: 985.873.6735
gbush@tpcg.org

Mr. Wolcott has more than 18 years of experience as a project manager and program manager. He is an operations specialist and field supervisor for the firm and has worked on numerous disaster debris management projects. He is experienced in all aspects of disaster planning and recovery, including mobilizing response teams, permitting debris sites, staging logistics, and Federal Emergency Management Agency (FEMA) compliance monitoring protocol and reimbursement policies.

Through his disaster recovery work, Mr. Wolcott has developed significant knowledge of federal, state, and local regulations pertaining to solid waste management; hazardous waste management; and FEMA, U.S. Department of Transportation, Occupational Safety and Health Administration, and Federal Highway Administration regulations, policies, and reimbursement processes. In addition, he is highly knowledgeable of federal, state, and local emergency agencies and programs, as well as funding sources and reimbursement procedures.

Representative Highlights

- Disaster planning and recovery, including mobilizing response teams, permitting debris sites, staging logistics, and FEMA compliance monitoring protocol and reimbursement policies
- Significant knowledge of federal, state, and local regulations pertaining to solid waste management; hazardous waste management; and FEMA, U.S. Department of Transportation, Occupational Safety and Health Administration, and Federal Highway Administration regulations, policies, and reimbursement processes

Career Highlights

- Cameron County, Texas – 2008 Hurricane Dolly, Disaster Recovery Services – Project Manager
- Hardin County, Texas – 2008 Hurricane Ike, Disaster Recovery Services – Project Manager
- City of Lumberton, Texas - 2008 Hurricane Ike, Disaster Recovery Services – Project Manager
- City of Kountze, Texas - 2008 Hurricane Ike, Disaster Recovery Services – Project Manager
- New Orleans, Louisiana - 2007 Post-Katrina Program Management - Operations Manager

Jeffrey L. Dickerson

Project Role: Logistics

Education

Thomas Edison University
A.S. in Nuclear Engineering Technology

Key Areas of Expertise

- Logistics Program Management
- Readiness Training/Exercises
- Disaster Operations Support
- Resource Deployment and Tracking

Mr. Dickerson has more than 20 years of experience in program management, with extensive experience in organizational development, training and readiness exercises. Mr. Dickerson currently serves as the Director of Logistics responsible for the planning, deployment and support of emergency response operations for the firm.

Prior to joining the firm, Mr. Dickerson served as the firm's Director of Information Technology, leading a team of 18 professionals responsible for operation and management of the corporate network with a multi-million dollar budget.

Mr. Dickerson is a 20+ year military veteran with extensive leadership, training and personnel development skills.

Mr. Dickerson is also intimately familiar with data operations. During Hurricane Wilma, Mr. Dickerson was responsible for the setup and management of a disaster area data center supporting all data management activities associated with the debris collection effort. He coordinated the operation of a round the clock data processing center with over 90 personnel. He provided technical support for a debris management database to track the over 1000 trucks and documentation over five million cubic yards of debris brought to the client's temporary debris storage and reduction sites (TDSRS).

Relevant Highlights

- Served as project manager for numerous projects in the analysis, design, installation, and testing of computer networks
- Has managed complex projects involving installation, testing and repair of power generation equipment and nuclear power plant control and instrumentation

Representative Experience

- Logistics Program Management – Beck Disaster Recovery, Inc. – Logistics Director
- Readiness Training and Exercises – U.S. Navy – Nuclear Power Plant Readiness Trainer/Evaluator
- Disaster Operation Support – City of Houston, TX & Harrison County, TX – Logistics Support
- Disaster Operation Support – Miami-Dade County, FL – Data Operations Manager
- Disaster Operation Support – Escambia County, FL – Quality Control and Fraud Specialist

SECTION C – PROPOSER'S QUALIFICATIONS STATEMENT

CORPORATE OFFICERS LISTING

From Science to Solutions

Science Applications International Corporation
Delaware

Entity Vitals

Entity Name	Science Applications International Corporation
Domestic Jurisdiction	Delaware
Formation Date	10-21-1980
Federal Tax ID	95-3630868
Registered Agent	The Corporation Trust Company
Registered Agent - Address	1209 Orange Street, Wilmington, Delaware 19801-0000, United States

Entity Addresses

Address Type	Principal Place of Business
Address	10260 Campus Point Drive, San Diego, California 92121, United States

Address Type	Additional Location
Address	2301 Lucien Way, Suite 120, Maitland, FL 32751, United States

Management Structure

Manager Name	Title	Title Role
Young, A. Thomas	Director (Chair)	Director
Cordova, France A.	Director	Director
Drummond, Jere A.	Director	Director
Frist III, Thomas F.	Director	Director
Hamre, John J.	Director	Director
Havenstein, Walter P.	Director	Director
John, Miriam E.	Director	Director
Jones, Anita K.	Director	Director
Jumper, John P.	Director	Director
Kraemer, Harry M. Jansen Jr.	Director	Director
Nussdorf, Lawrence C.	Director	Director
Sanderson, Edward J. Jr.	Director	Director
Simpson, Louis A.	Director	Director
Havenstein, Walter P.	Chief Executive Officer	Principal Officer
Cuff, James E.	Executive Vice President for Business Development, Strategy and M&A	Principal Officer
James, Deborah L.	Executive Vice President for Communications and Government Affairs	Principal Officer
Keenan, Brian F.	Executive Vice President for Human Resources	Principal Officer
Maffeo, Vincent A.	Executive Vice President and General Counsel	Principal Officer
Moraco, Anthony J.	Executive Vice President for Operations and Performance Excellence	Principal Officer
Sopp, Mark W.	Executive Vice President and Chief Financial Officer	Principal Officer
Alving, Amy E.	Senior Vice President and Chief Technology Officer	Principal Officer
Fisher, Steven P.	Senior Vice President, Treasurer and Treasury Accounts Officer	Principal Officer
Hartley, John R.	Senior Vice President and Controller	Principal Officer
Scott, Douglas E.	Secretary	Principal Officer
Alderson, Deborah H.	Group President	Principal Officer
Craver, Joseph W. III	Group President	Principal Officer
Shea, K. Stuart	Group President	Principal Officer
Amick, David C.	Vice President	Officer
Langer, Barry S.	Vice President	Officer
Clarke, John D.	Assistant Secretary	Officer
Crown, Marc H.	Assistant Treasurer and Treasury Accounts Officer	Officer
Curtin, Maryann K.	Assistant Vice President	Officer
Greiner, Paul H.	Assistant Secretary	Officer
Kennell, James S.	Assistant Secretary	Officer
Levin, Robert L.	Assistant Secretary	Officer
Maffeo, Vincent A.	Assistant Secretary	Officer
Pittman, Cindy S.	Assistant Secretary	Officer
Quella, Clement Vincent III	Assistant Secretary	Officer
Reid, Vernon M.	Assistant Vice President	Officer
Rowland, Mark A.	Assistant Secretary	Officer
Ruggiero, Lawrence E.	Assistant Secretary	Officer

ATTACHMENT D

PROPOSER'S MOST CURRENT FINANCIAL STATEMENT

SAIC is a financially sound and successful firm with annual revenues of $11.1 billion (FY11) and approximately 43,000 employees. To further demonstrate the firm's solid financial performance, we have provided a copy of our most recent Form 10-K (annual report) on the subsequent pages.

SAIC, Inc. (SAI)

10-K

Annual report pursuant to section 13 and 15(d)
Filed on 03/25/2011
Filed Period 01/31/2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 31, 2011

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-33072

SAIC, Inc.
(Exact name of registrant as specified in its charter)

Delaware **State or other jurisdiction of incorporation or organization**	**20-3562868** **(I.R.S. Employer Identification No.)**
1710 SAIC Drive, McLean, Virginia **(Address of principal executive offices)**	**22102** **(Zip Code)**

Registrant's telephone number, including area code:

(703) 676-4300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $.0001 Per Share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of July 31, 2010, the aggregate market value of the common stock (based upon the closing price of the stock on the New York Stock Exchange) held by non-affiliates of the registrant was $5,930,266,034.

As of March 18, 2011, the registrant had 357,671,266 shares of common stock, $.0001 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of SAIC, Inc.'s definitive Proxy Statement for the 2011 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K.

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SAIC, Inc.

Form 10-K

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PART I

Item 1. *Business*

The Company

Science Applications International Corporation, the principal operating company of SAIC, Inc., was formed in 1969. In October 2006, in connection with becoming a publicly-traded company, Science Applications International Corporation completed a merger (reorganization merger) in which it became a 100%-owned subsidiary of SAIC, Inc., after which SAIC, Inc. completed an initial public offering of its common stock. Prior to November 2009, SAIC, Inc. had Class A preferred stock and common stock outstanding. In November 2009, each share of SAIC, Inc. Class A preferred stock was converted into one share of common stock, which increased the number of common shares outstanding and eliminated the preferred shares outstanding. We use the terms "our company," "we," "us," and "our" to refer to SAIC, Inc. and its consolidated subsidiaries. Unless otherwise noted, references to years are for fiscal years ended January 31. For example, we refer to the fiscal year ended January 31, 2011 as "fiscal 2011".

We are a provider of scientific, engineering, systems integration and technical services and solutions to all branches of the U.S. military, agencies of the U.S. Department of Defense (DoD), the intelligence community, the U.S. Department of Homeland Security (DHS) and other U.S. Government civil agencies, state and local government agencies, foreign governments and customers in select commercial markets. Our business is focused on solving issues of national and global importance in the areas of national security, energy and the environment, critical infrastructure and health. We are focusing our investments to expand our business in areas emphasizing: intelligence, surveillance and reconnaissance; cyber security; logistics, readiness and sustainment; energy and environment; and health technology. For additional discussion and analysis related to recent business developments, see "Business Environment and Trends" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Annual Report on Form 10-K.

Our business is conducted in three reportable segments: Government, Commercial, and Corporate and Other. We define our reportable segments based on the way our chief operating decision maker manages our operations for the allocation of resources, decision making and performance assessment. Our operating business units are aggregated into the Government or Commercial segments, depending on the nature of the customers served, the contractual requirements and the regulatory environment governing the business unit's operations. The Corporate and Other segment includes the operations of our internal real estate management subsidiary, various corporate activities and certain corporate expense items that are not reimbursed by our U.S. Government customers. Our Corporate and Other segment does not contract with third-parties for the purpose of generating customer revenues. Substantially all of our revenues and tangible long-lived assets are generated by or owned by entities located in the United States. For additional information regarding our reportable segments, see Note 16 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Government Segment

Our Government segment provides a wide array of technical services and solutions including those described below, primarily to U.S. federal, state and local government agencies and foreign governments.

- *Systems Engineering and Integration.* We provide systems engineering and implementation services and solutions to help our customers design and integrate complex network processes and infrastructure. These services and solutions include designing, installing, testing, repairing and maintaining systems and processes.
- *Software Development.* We provide software development services and solutions to help our customers maximize value by extending and renovating critical systems through software capabilities. These services include automating code generation, managing computer resources, and merging and evaluating large amounts of data.
- *Cyber Security.* We provide services and solutions to help our customers prepare for, protect against, and respond to a wide array of cyber security threats. These services and solutions include designing comprehensive cyber-risk management programs to identify and neutralize cyber attacks, integrating and managing information security services to protect customers' mission-critical data, identifying and advising in connection with the selection of disaster recovery plans and performing tests to certify that information technology (IT) systems operate in accordance with design requirements.
- *Data Processing and Analysis.* We provide services and solutions to help our U.S. defense, intelligence and homeland security customers develop new processes, methods and technologies to improve the collection, analysis and interpretation of the vast amounts of intelligence information collected to build an integrated intelligence picture, assisting them to be more agile and dynamic in challenging environments and produce actionable intelligence.
- *Secure Information Sharing and Collaboration.* We provide services and solutions to help our customers share information and resources, including designing and developing information systems that access, process and analyze vast amounts of data from various sources to facilitate timely information sharing, collaboration and decision making.
- *IT Outsourcing.* We provide IT outsourcing services and solutions to help our customers optimize their IT infrastructure. These services and solutions include designing and implementing integrated IT service management approaches to reduce overall costs and improve user satisfaction, identifying and recommending IT investments to improve business and operational performance and identifying underperforming assets for disposition.

- *Communication Systems and Infrastructure.*We provide services and solutions to help our customers design and implement state-of-the-art communication systems. These services and solutions include designing, installing, testing, repairing and maintaining voice, data and video communication systems and infrastructures.
- *Command and Control.*We provide services and solutions to help our U.S. and allied defense customers design and implement advanced, networked command and control systems that enable these customers to plan, direct, coordinate and control forces and operations at the strategic, operational and tactical levels. These services and solutions include designing, installing, testing, repairing and maintaining command and control systems and infrastructures.
- *Logistics, Readiness and Sustainment.* We provide logistics, supply chain management, demand forecasting and repair and maintenance services to enhance the readiness and operational capability of U.S. federal agencies and U.S. military personnel and weapon and support systems deployed worldwide.
- *Research and Development.* We conduct leading-edge research and development of new technologies with applications in areas such as national security, intelligence and life sciences.
- *Environmental Consulting Services.* We provide services and solutions in assessing and mitigating evolving environmental challenges. Our services and solutions include collecting and interpreting data to assess the impacts of global climate changes, designing and constructing "green" facilities, and developing clean fossil and carbon management technologies and other ways to reduce the emission of greenhouse gases. We also provide environmental compliance and remediation services, including performing environmental risk assessment studies and coordinating remedial and hazardous waste investigations and programs.
- *Energy and Utilities Services.* We provide services and solutions in energy efficiency, demand reduction and sustainability programs to help customers reduce costs, manage risks and minimize the environmental impacts associated with energy and utility consumption. We also help customers develop innovative, clean and renewable energy sources and assist energy producers in addressing issues related to government mandates for cleaner and alternative energy sources, infrastructure security, and intelligent, reliable transmission and distribution (smart grid technologies).
- *Design and Construction Services.* We develop life-cycle solutions merging technologies with the operational needs of our customers. We then provide architecture, design, engineering, construction and construction management services to implement those solutions. Our areas of emphasis include energy, industrial and manufacturing facilities, advanced communications and critical infrastructure.
- *Securing Critical Infrastructure.* We provide customers in various industries with services to protect critical infrastructure from acts of terrorism and natural disasters as well as from threats due to error, maliciousness, wear and tear, planning oversights and previously unforeseen vulnerabilities. These services and solutions include risk management (vulnerability assessments and threat identification), training exercises and simulations, awareness programs, physical security, protection and detection systems and critical infrastructure continuity and contingency planning as well as casualty and damage assessment tools and disaster recovery services.
- *Disaster Preparedness and Recovery.* We provide customers with services and solutions in planning for and responding to public health emergencies and disasters. These services and solutions include emergency planning, multi-agency training and exercises.
- *Homeland Security Product Solutions.* We also design and develop products and applied technologies that aid anti-terrorism and homeland security efforts, including our border, port and security inspection systems and our checked baggage explosive detection systems.
- *Geospatial Solutions.* We provide services and solutions in satellite imagery and image processing, database development and analysis, visualization, application development and related IT enterprise architecture for customers in various industries, including agriculture, defense, energy, forestry and water management.
- *Modeling and Simulation.* We provide applied research and technology and modeling and simulation services to the National Aeronautics and Space Administration (NASA) and U.S. military, space and intelligence communities, including support related to mission preparation, launch and execution.

Revenues from our Government segment accounted for 97%, 96% and 95% of our total revenues in fiscal 2011, 2010, and 2009, respectively. Within the Government segment, the majority of our revenues are derived from contracts with the U.S. Government. The revenues from contracts with the U.S. Government include contracts where we serve as the prime or lead contractor, as well as contracts where we serve as a subcontractor to other parties who are engaged directly with various U.S. Government agencies as the prime contractor or as a subcontractor. Some revenues in the Government segment are derived from non-government customers for whom the work is performed by a Government segment business unit.

We often collaborate with other parties, including our competitors, to submit bids for large U.S Government procurements or other opportunities where we believe that the combination of services and products that we can provide as a team will help us win and perform the contract. Our relationships with our teammates, including whether we serve as the prime contractor or as a subcontractor, vary with each contract opportunity and typically depend on the program, contract or customer requirements, as well as the relative size, qualifications, capabilities and experience of our company and our teammates. Contracting with the U.S. Government also subjects us to substantial regulation and unique risks, including the U.S. Government's ability to cancel any contract at any time. Most of our contracts have cancellation terms that would permit us to recover all or a portion of our incurred costs and fees for work performed. These regulations and risks are described in more detail below under the "Business–Regulation" and "Item 1A. Risk Factors" sections of this Annual Report on Form 10-K.

Commercial Segment

Our Commercial segment provides services in the following two areas:

- *Global Oil and Gas Solutions.* We provide integrated services in consulting, systems integration and managed IT services, delivering flexible and customizable IT software solutions to global oil and gas customers.
- *Enterprise Information Solutions.* We provide a comprehensive set of IT service offerings including enterprise information technology optimization, business intelligence, enterprise resource planning maintenance and staff augmentation services to select commercial customers, as well as state and local government customers.

Our Commercial segment customers often benefit from leveraging the services and solutions that we provide to our Government segment customers. Revenues from our Commercial segment accounted for 3%, 4% and 5% of our total revenues in fiscal 2011, 2010 and 2009, respectively.

Acquisitions

The acquisition of businesses is part of our growth strategy to provide new or enhance existing capabilities and offerings to customers and to establish new or enhance existing relationships with customers. We expect that a portion of our future growth will come from recent and future acquisitions. During the last five fiscal years, we completed 21 acquisitions, most notably:

- In fiscal 2011, we acquired Cloudshield Technologies, Inc., a provider of cyber security and management services solutions. This acquisition enhanced our cyber security offerings and positioned us to bring to market deep packet inspection solutions for high speed networks, enabling us to better meet emerging customer requirements. We also acquired Reveal Imaging Technologies, Inc., a provider of threat detection products and services. This acquisition enhanced our homeland security solutions portfolio by adding U.S. Transportation Security Administration certified explosive detection systems for checked baggage screening to our passenger and cargo inspections systems product offerings.
- In fiscal 2010, we acquired R.W. Beck Group, Inc., a provider of business, engineering, energy and infrastructure consulting services. This acquisition both enhanced our existing capabilities and offerings in the areas of energy and infrastructure consulting services and provided new capabilities and offerings in disaster preparedness and recovery services. We also acquired Science, Engineering and Technology Associates Corporation, a provider of intelligence, surveillance and reconnaissance information technologies. This acquisition enhances our service offerings and capabilities by adding information technologies that detect human behaviors to identify human-borne suicide bombers.
- In fiscal 2009, we acquired SM Consulting, Inc., a provider of language translation, interpretation and training, and other consulting services to federal, state and local governments and commercial customers. While this acquisition enhanced our existing capabilities and offerings, it also expanded our relationships with DoD customers in adjacent markets for these services. We also acquired Icon Systems, Inc., a provider of laser-based systems and products for military training and testing. This acquisition enhanced our wireless live training offerings.
- In fiscal 2008, we acquired The Benham Companies LLC, a consulting, engineering, and architectural design company. This acquisition provided us with new capabilities and offerings in the areas of industrial manufacturing and facilities design/build and enhanced our existing capabilities and offerings in the areas of energy consulting services and software development and integration services.
- In fiscal 2007, we acquired Applied Marine Technology, Inc., a provider of training, systems engineering and integration, information systems and communications, and rapid prototyping of technical solutions and products focused on support to intelligence and special warfare operations, which enhanced our existing capabilities and offerings.

Divestitures

From time to time, we divest non-strategic components of our business. During the last five fiscal years, our most notable divestitures included:

- In fiscal 2008, we completed a reorganization transaction involving our 55% interest in AMSEC LLC, a consolidated majority-owned subsidiary, resulting in the disposition of our 55% interest in AMSEC LLC in exchange for our acquisition of certain divisions and subsidiaries of AMSEC LLC.
- In fiscal 2007, we completed the sale of our majority-owned subsidiary, ANXeBusiness Corp.

Contract Procurement

Our business is heavily regulated and we must comply with and are affected by laws and regulations relating to the formation, administration and performance of U.S. Government and other contracts. The U.S. Government procurement environment has evolved due to statutory and regulatory procurement reform initiatives. Today, U.S. Government customers employ several procurement contracting methods to purchase services and solutions. Budgetary pressures and reforms in the procurement process have caused many U.S. Government customers to increasingly purchase services and products using contracting processes that give them the ability to select multiple winners or pre-qualify certain contractors to provide various services or products on established general terms and conditions rather than through single award contracts. The predominant contracting methods through which U.S. Government agencies procure services and products include the following:

- *Single Award Contracts.* U.S. Government agencies may procure services and products through single award contracts which specify the scope of services and products that will be delivered and identify the contractor that will provide the specified services. When an agency has a requirement, interested contractors are solicited, qualified and then provided with a request for a proposal. The process of qualification, request for proposals and evaluation of contractor bids requires the agency to maintain a large, professional procurement staff and the bidding and selection process can take a year or more to complete. For the contractor, this method of contracting may provide greater certainty of the timing and amounts to be received at the time of contract award because it generally results in the customer contracting for a specific scope of services or products from the single successful awardee.
- *Indefinite Delivery/Indefinite Quantity (IDIQ) Contracts.* The U.S. Government uses IDIQ contracts to obtain commitments from contractors to provide certain services or products on pre-established terms and conditions. The U.S. Government then issues task orders under the IDIQ contracts for the specific services or products it needs. IDIQ contracts are awarded to one or more contractors following a competitive procurement process. Under a single-award IDIQ contract, all task orders under that contract are awarded to one pre-selected contractor. Under a multi-award IDIQ contract, task orders can be awarded to any of the pre-selected contractors, which can result in further limited competition for the award of task orders. Multi-award IDIQ contracts that are open for any government agency to use for the procurement of services are commonly referred to as government-wide acquisition contracts. IDIQ contracts often have multi-year terms and unfunded ceiling amounts, therefore enabling, but not committing, the U.S. Government to purchase substantial amounts of services or products from one or more contractors. At the time an IDIQ contract is awarded (prior to the award of any task orders), a contractor may have limited or no visibility as to the ultimate amount of services or products that the U.S. Government will purchase under the contract, and in the case of a multi-award IDIQ, the contractor from which such purchases may be made.
- *U.S. General Services Administration (GSA) Schedule Contracts.* The GSA maintains listings of approved suppliers of services and products with agreed-upon prices for use throughout the U.S. Government. In order for a company to provide services under a GSA Schedule contract, a company must be pre-qualified and awarded a contract by the GSA. When an agency uses a GSA Schedule contract to meet its requirements, the agency, or the GSA on behalf of the agency, conducts the procurement. The user agency, or the GSA on its behalf, evaluates the user agency's services requirements and initiates a competition limited to GSA Schedule qualified contractors. GSA Schedule contracts are designed to provide the user agency with reduced procurement time and lower procurement costs. Similar to IDIQ contracts, at the time a GSA Schedule contract is awarded, a contractor may have limited or no visibility as to the ultimate amount of services or products that the U.S. Government will purchase under the contract.

Contract Types

Generally, the type of contract for our services and products is determined by or negotiated with the U.S. Government and may depend on certain factors, including the type and complexity of the work to be performed, degree and timing of the responsibility to be assumed by the contractor for the costs of performance, the extent of price competition and the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals. We generate revenues under several types of contracts, including the following:

- Cost-reimbursement contracts provide for reimbursement of our direct contract costs and allocable indirect costs, plus a fee. This type of contract is generally used when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use a fixed-price contract. Cost-reimbursement contracts generally subject us to lower risk, but generally require us to use our best efforts to accomplish the scope of the work within a specified time and amount of costs.
- Time-and-materials (T&M) contracts typically provide for negotiated fixed hourly rates for specified categories of direct labor plus reimbursement of other direct costs. This type of contract is generally used when there is uncertainty of the extent or duration of the work to be performed by the contractor at the time of contract award or it is not possible to anticipate costs with any reasonable degree of confidence. On T&M contracts, we assume the risk of providing appropriately qualified staff to perform these contracts at the hourly rates set forth in the contracts over the period of performance of the contracts.

- Fixed-price-level-of-effort (FP-LOE) contracts are substantially similar to T&M contracts except they require a specified level of effort over a stated period of time on work that can be stated only in general terms. This type of contract is generally used when the contractor is required to perform an investigation or study in a specific research and development area and to provide a report showing the results achieved based on the level of effort. Payment is based on the effort expended rather than the results achieved.
- Firm-fixed-price (FFP) contracts provide for a fixed price for specified products, systems and/or services. This type of contract is generally used when the government acquires commercial items or products and services on the basis of reasonably definitive specifications and which have a determinable fair and reasonable price. These contracts subject us to higher risk, but offer us potential increased profits if we can complete the work at lower costs than planned. While FFP contracts allow us to benefit from cost savings, these contracts also increase our exposure to the risk of cost overruns.

Our earnings and profitability may vary materially depending on changes in the proportionate amount of revenues derived from each type of contract, the nature of services or products provided, as well as the achievement of performance objectives and the stage of performance at which the right to receive fees, particularly under incentive and award fee contracts, is finally determined. Cost reimbursement and T&M contracts generally have lower profitability than FFP contracts. For the proportionate amount of revenues derived from each type of contract for fiscal 2011, 2010 and 2009, see "Key Financial Metrics—Sources of Revenues" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Annual Report on Form 10-K.

Backlog

Backlog represents the estimated amount of future revenues to be recognized under negotiated contracts as work is performed. Our backlog consists of funded backlog and negotiated unfunded backlog, each of which are described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Annual Report on Form 10-K. We expect to recognize a substantial portion of our funded backlog as revenues within the next 12 months. However, the U.S. Government may cancel any contract at any time. In addition, certain contracts with commercial customers include provisions that allow the customer to cancel at any time. Most of our contracts have cancellation terms that would permit us to recover all or a portion of our incurred costs and fees for work performed. For additional discussion and analysis of backlog, see "Key Financial Metrics—Sources of Revenues" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Annual Report on Form 10-K.

Key Customers

In fiscal 2011, 2010 and 2009, 89%, 89% and 88%, respectively, of our total revenues were attributable to prime contracts with the U.S. Government or to subcontracts with other contractors engaged in work for the U.S. Government. We generated more than 10% of our total revenues during each of the last three fiscal years from each of the U.S. Army and U.S. Navy. Each of these customers has a number of subsidiary agencies which have separate budgets and procurement functions. Our contracts may be with the highest level of these agencies or with the subsidiary agencies of these customers.

The percentage of total revenues attributable to these customers for each of the last three fiscal years was as follows:

	Year Ended January 31		
	2011	2010	2009
U.S. Army	**23%**	23%	24%
U.S. Navy	**13**	12	12

Competition

Competition for contracts is intense in both our Government and Commercial segments. We often compete against a large number of established multinational corporations which may have greater financial capabilities than we do. We also compete against smaller, more specialized companies that concentrate their resources on particular areas. As a result of the diverse requirements of the U.S. Government and our commercial customers, we frequently collaborate with other companies to compete for large contracts, and bid against these team members in other situations. We believe that our principal competitors currently include the following companies:

- the engineering and technical services divisions of large defense contractors which provide U.S. Government IT services in addition to other hardware systems and products, including such companies as The Boeing Company, General Dynamics Corporation, Lockheed Martin Corporation, Northrop Grumman Corporation, BAE Systems plc, L-3 Communications Corporation and Raytheon Company;
- contractors focused principally on technical services, including U.S. Government IT services, such as Battelle Memorial Institute, Booz Allen Hamilton Inc., CACI International Inc, ManTech International Corporation, Serco Group plc and SRA International, Inc.;

- diversified commercial and U.S. Government IT providers, such as Accenture plc, Computer Sciences Corporation, HP Enterprise Services, International Business Machines Corporation and Unisys Corporation;
- contractors who provide engineering, consulting, design and construction services, such as KBR, Inc. and CH2M Hill Companies Ltd.; and
- contractors focused on supplying homeland security product solutions, including American Science and Engineering, Inc., OSI Systems, Inc. and Smith Group plc and contractors providing supply chain management and other logistics services, including Agility Logistics, Inc. (a subsidiary of Agility Public Warehousing Company K.S.C.).

We compete on factors including, among others, our technical expertise and qualified professional personnel, our ability to deliver cost-effective solutions in a timely manner, our reputation and standing with customers, pricing and the size and geographic presence of our company.

The U.S. Government has indicated that it intends to increase industry competition for its future procurement of products and services, which could lead to fewer sole source awards and more emphasis on cost competitiveness and affordability. In addition, the DoD has announced several initiatives to improve efficiency, refocus priorities and enhance DoD best practices including those used to procure goods and services from defense contractors. These new initiatives, when implemented, could result in fewer new opportunities for our industry as a whole, which may intensify competition within the industry as companies compete for a more limited set of new programs.

Patents and Proprietary Information

Our technical services and products are not generally dependent upon patent protection, although we do selectively seek patent protection. We claim a proprietary interest in certain of our products, software programs, methodologies and know-how. This proprietary information is protected by copyrights, trade secrets, licenses, contracts and other means. We selectively pursue opportunities to license or transfer our technologies to third parties.

In connection with the performance of services, the U.S. Government has certain rights to inventions, data, software codes and related material that we develop under U.S. Government-funded contracts and subcontracts. Generally, the U.S. Government may disclose or license such information to third parties, including, in some instances, our competitors. In the case of some subcontracts that we perform, the prime contractor may also have certain rights to the programs and products that we develop under the subcontract.

Research and Development

We conduct research and development activities under customer-funded contracts and with company-funded internal research and development (IR&D) funds. IR&D efforts consist of projects involving basic research, applied research, development, and systems and other concept formulation studies. In fiscal 2011, 2010 and 2009, our company-funded IR&D expense was $55 million, $49 million and $46 million, respectively, which was included in selling, general and administrative expenses. We charge expenses for research and development activities performed under customer contracts directly to cost of revenues.

Seasonality

The U.S. Government's fiscal year ends on September 30 of each year. It is not uncommon for U.S. Government agencies to award extra tasks or complete other contract actions in the timeframe leading up to the end of its fiscal year in order to avoid the loss of unexpended fiscal year funds, which may favorably impact our third fiscal quarter ending October 31. In addition, as a result of the cyclical nature of the U.S. Government budget process and a greater number of holidays in our fourth fiscal quarter ending January 31, as compared to our third fiscal quarter ending October 31, we typically experience sequentially higher revenues in our third fiscal quarter and lower revenues in our fourth fiscal quarter. For selected quarterly financial data, see Note 20 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Regulation

We are heavily regulated in most of the fields in which we operate. We provide services and products to numerous U.S. Government agencies and entities, including all of the branches of the U.S. military, NASA, intelligence agencies and DHS. When working with these and other U.S. Government agencies and entities, we must comply with laws and regulations relating to the formation, administration and performance of contracts. Among other things, these laws and regulations:

- require certification and disclosure of all cost and pricing data in connection with certain contract negotiations;
- define allowable and unallowable costs and otherwise govern our right to reimbursement under various cost-based U.S. Government contracts;

- require reviews by the Defense Contract Audit Agency (DCAA) and other U.S. Government agencies of compliance with government standards for accounting and management internal control systems;
- restrict the use and dissemination of information classified for national security purposes and the export of certain products and technical data; and
- require us not to compete for or to divest work if an organizational conflict of interest, as defined by these laws and regulations, related to such work exists and/or cannot be appropriately mitigated.

The U.S. Government may revise its procurement practices or adopt new contract rules and regulations at any time. In order to help ensure compliance with these complex laws and regulations, all of our employees are required to complete ethics training and other compliance training relevant to their position.

Internationally, we are subject to special U.S. Government laws and regulations, local government laws and regulations and procurement policies and practices (including laws and regulations relating to bribery of foreign government officials, import-export control, investments, exchange controls and repatriation of earnings) and varying currency, political and economic risks.

Environmental Matters

Our operations are subject to various foreign, federal, state and local environmental protection and health and safety laws and regulations. In addition, our operations may become subject to future laws and regulations, including those related to climate change concerns. Failure to comply with these laws and regulations could result in civil, criminal, administrative or contractual sanctions, including fines, penalties or suspension or debarment from contracting with the U.S. Government, or could cause us to incur costs to change, upgrade, remediate and/or close some of our operations or properties. Some environmental laws hold current or previous owners or operators of businesses and real property liable for hazardous substance releases, even if they did not know of and were not responsible for the releases. Environmental laws may also impose liability on any person who disposes, transports, or arranges for the disposal or transportation of hazardous substances to any site. In addition, we may face liability for personal injury, property damage and natural resource damages relating to hazardous substance releases for which we are otherwise liable or relating to exposure to or the mishandling of hazardous substances in connection with our current and former operations or services. Although we do not currently anticipate that the costs of complying with, or the liabilities associated with, environmental laws will materially and adversely affect us, we cannot ensure that we will not incur material costs or liabilities in the future.

Employees and Consultants

As of January 31, 2011, we employed approximately 43,400 full and part-time employees. We also utilize consultants to provide specialized technical and other services on specific projects. To date, we have not experienced any strikes or work stoppages and we consider our relations with our employees to be good.

The highly technical and complex services and products that we provide are dependent upon the availability of professional, administrative and technical personnel having high levels of training and skills and, in many cases, security clearances. Due to the increased competition for qualified personnel, it has become more difficult to retain employees and meet all of our needs for employees in a timely manner, which has affected and may to continue to affect our growth. We intend to continue to devote significant resources to recruit, develop and retain qualified employees.

Company Website and Information

Our website can be accessed at *www.saic.com*. The website contains information about us and our operations. Through a link on the Investor Relations section of our website, copies of each of our filings with the Securities and Exchange Commission, or SEC, on Form 10-K, Form 10-Q and Form 8-K and all amendments to those reports can be viewed and downloaded free of charge as soon as reasonably practicable after the reports and amendments are electronically filed with or furnished to the SEC. The information on our website is not incorporated by reference into and is not a part of this Annual Report on Form 10-K.

You may request a copy of the materials identified in the preceding paragraph, at no cost, by writing or telephoning us at our corporate headquarters at the following:

SAIC, Inc.
1710 SAIC Drive
McLean, VA 22102
Attention: Corporate Secretary
Telephone: (703) 676-4300

PART I

Item 1A. *Risk Factors*

In your evaluation of our company and business, you should carefully consider the risks and uncertainties described below, together with information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. If any of these risks or uncertainties actually occurs, our business, financial condition or operating results could be materially harmed and the price of our stock could decline. Our business is also subject to general risks and uncertainties that affect many other companies, such as our ability to collect receivables, overall U.S. and global economic and industry conditions, geopolitical events, changes in laws or accounting rules, fluctuations in interest and exchange rates, terrorism, international conflicts, major health concerns, climate change, natural disasters or other disruptions of expected economic and business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business operations and liquidity.

Risks Relating to Our Business

We depend on government agencies as our primary customer and if our reputation or relationships with these agencies were harmed, our future revenues and growth prospects would be adversely affected.

In fiscal 2011, 2010 and 2009, we generated 89%, 89% and 88%, respectively, of our total revenues from contracts with the U.S. Government (including all branches of the U.S. military), either as a prime contractor or a subcontractor to other contractors. We generated more than 10% of our total revenues during each of the last three fiscal years from each of the U.S. Army and U.S. Navy. We expect to continue to derive most of our revenues from work performed under U.S. Government contracts. Our reputation and relationship with the U.S. Government, and in particular with the agencies of the DoD and the U.S. intelligence community, are key factors in maintaining and growing these revenues. Negative press reports or publicity, which could pertain to conflicts of interest, poor contract performance, employee or subcontractor misconduct, information security breaches or other aspects of our business, among other things, regardless of accuracy, could harm our reputation, particularly with these agencies. In addition, negative publicity regarding our work for state and local government and commercial customers may harm our reputation with these customers as well as with our federal government customers. If our reputation is negatively affected, or if we are suspended or debarred (or proposed for suspension or debarment) from contracting with government agencies for any reason, the amount of business with government and other customers would decrease and our future revenues and growth prospects would be adversely affected.

A decline in the U.S. Government defense budget, changes in budgetary priorities or timing of contract awards may adversely affect our future revenues and limit our growth prospects.

Revenues under contracts with the DoD, either as a prime contractor or subcontractor to other contractors, represented 74% of our total revenues in fiscal 2011. Our operating results could be adversely affected by changes in the budgetary priorities of the U.S. Government or the DoD or delays in program starts or the award of contracts. Current spending levels for defense-related programs by the U.S. Government may not be sustainable and future levels of spending and authorizations for these programs may fail to increase or actually decrease or shift to programs in areas in which we do not provide services or are less likely to be awarded contracts. Such changes in spending authorizations and budgetary priorities could occur due to changes in U.S. Government leadership, the number of and intensity of military conflicts, the rapid growth of the federal budget deficit, increasing political pressure to reduce overall levels of government spending, shifts in spending priorities from defense-related programs as a result of competing demands for federal funds, or other factors. In addition, the U.S. Government conducts periodic reviews of U.S. defense strategies and priorities, which may shift DoD budgetary priorities, reduce overall U.S. Government spending or delay contract awards for defense-related programs, including programs from which we expect to derive a significant portion of our future revenues. In September 2010, the DoD announced various initiatives designed to gain efficiencies, refocus priorities and enhance business practices used by the DoD, including those used to procure goods and services from defense contractors. These initiatives are organized into five areas including affordability and cost growth, productivity and innovation, competition, services acquisition, and processes and bureaucracy. These new initiatives are expected to have a significant impact on the contracting environment in which we do business with our DoD customers and they could have a significant impact on current programs as well as new DoD business opportunities. Changes to the DoD acquisition system and contracting models could affect whether and how we pursue certain opportunities and the terms under which we are able to do so. These initiatives are still fairly new and the full impact to our business remains uncertain. A significant decline in overall U.S. Government spending, including in the areas of national security, intelligence and homeland security, a significant shift in its spending priorities, the substantial reduction or elimination of particular defense-related programs or significant delays in contract awards for large programs could adversely affect our future revenues and limit our growth prospects.

Because we depend on U.S. Government contracts, a delay in the completion of the U.S. Government's budget process could delay procurement of the products, services and solutions we provide and have an adverse effect on our future revenues.

In years when the U.S. Government does not complete its budget process before the end of its fiscal year on September 30, government operations are typically funded pursuant to a "continuing resolution." A continuing resolution allows federal government agencies to operate at spending levels approved in the previous budget cycle, but does not authorize new spending initiatives. When the U.S. Government operates under a continuing resolution, delays can occur in the procurement of the products, services and solutions that we provide and may result in new initiatives being cancelled. We have from time to time experienced a decline in revenues in our fourth quarter ending January 31 and beyond as a result of this annual budget cycle, including in fiscal year 2011, and we could experience similar declines in revenues if the budget process is delayed significantly. The U.S. Government is currently operating under a continuing resolution effective through April 8, 2011 and its budget for government fiscal year 2011 has not yet been finalized. If the continuing resolution is further extended through the entire government fiscal year, it may delay or prevent the awarding of contracts and could adversely affect our performance. If the U.S. Government fails to complete its budget process or fails to extend the continuing resolution, it may result in a federal government shutdown. A government shutdown may result in us incurring substantial labor or other costs without reimbursement under customer contracts, or the delay or cancellation of key programs, which could have a negative effect on our cash flows and adversely affect our future results. In addition, when supplemental appropriations are required to operate the U.S. Government or fund specific programs and passage of legislation needed to approve any supplemental appropriation bill is delayed, the overall funding environment for our business could be adversely affected.

Our failure to comply with a variety of complex procurement rules and regulations could result in our being liable for penalties, including termination of our U.S. Government contracts, disqualification from bidding on future U.S. Government contracts and suspension or debarment from U.S. Government contracting.

We must comply with laws and regulations relating to the formation, administration and performance of U.S. Government contracts, which affect how we do business with our customers and may impose added costs on our business. Some significant regulations that affect us include:

- the Federal Acquisition Regulation (FAR) and supplements, which regulate the formation, administration and performance of U.S. Government contracts;
- the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with certain contract negotiations;
- the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U.S. Government for payment or approval; and
- the U.S. Government Cost Accounting Standards, which impose accounting requirements that govern our right to reimbursement under certain cost-based U.S. Government contracts.

The FAR and many of our U.S. Government contracts contain organizational conflict of interest clauses that may limit our ability to compete for or perform certain other contracts. Organizational conflicts of interest arise when we engage in activities that may make us unable to render impartial assistance or advice to the U.S. Government, impair our objectivity in performing contract work, or provide us with an unfair competitive advantage. A conflict of interest issue that precludes our competition for or performance on a significant program or contract could harm our prospects.

The U.S. Government may adopt new contract rules and regulations or revise its procurement practices in a manner adverse to us at any time.

The U.S. Government may face restrictions or pressure regarding the type and amount of services it may obtain from private contractors. Legislation, regulations and initiatives dealing with procurement reform, environmental responsibility or sustainability, and mitigation of potential conflicts of interest, as well as any resulting shifts in the buying practices of U.S. Government agencies, such as increased usage of fixed price contracts which transfer some risks from the U.S. Government to the performing contractors, could have adverse effects on government contractors, including us. Any of these changes could impair our ability to obtain new contracts or renew contracts under which we currently perform when those contracts are put up for recompetition. Any new contracting requirements or procurement methods could be costly or administratively difficult for us to implement and could adversely affect our future revenues.

Our business is subject to reviews, audits and cost adjustments by the U.S. Government, which, if resolved unfavorably to us, could adversely affect our profitability, cash position or growth prospects.

U.S. Government agencies, including the DCAA and others, routinely audit and review a contractor's performance on government contracts, indirect rates and pricing practices, and compliance with applicable contracting and procurement laws, regulations and standards. They also review the adequacy of the contractor's compliance with government standards for its accounting and management internal control systems, including: control environment and overall accounting system, general information technology system, budget and planning system, purchasing system, material management and accounting system, compensation system, labor system, indirect and other direct costs system, billing system and estimating system. Significant audits currently underway include our control environment and overall accounting, billing and indirect and other direct cost systems, as well as reviews of our compliance with certain U.S. Government Cost Accounting Standards. In addition, we changed our indirect rate structure used in our indirect cost system and our direct labor bid structure used for our estimating system for fiscal 2011 and future years. These changes are currently being reviewed by the DCAA.

Both contractors and the U.S. Government agencies conducting these audits and reviews have come under increased scrutiny. For example, it was determined that the audit procedures the DCAA used in reviewing some of our systems and other government contractors' systems were not in compliance with the requirements of Generally Accepted Government Auditing Standards. As a result, in April and July 2009, the DCAA rescinded its most recent audit reports on our accounting, billing, and indirect and other direct cost systems issued in 2005 and 2006. The current audits and reviews have become more rigorous and the standards to which we are held are being more strictly interpreted, increasing the likelihood of an audit or review resulting in an adverse outcome. During the course of its current audits, the DCAA is closely examining and questioning several of our long established and disclosed practices that it had previously audited and accepted, increasing the uncertainty as to the ultimate conclusion that will be reached. A finding of significant control deficiencies in our system audits can result in decremented billing rates to our U.S. Government customers until the control deficiencies are corrected and our corrections are accepted. In addition, due to uncertainty created by the lack of timely completion of system and other audits, we have agreed to an insignificant downward adjustment to our provisional billing rates pending resolution of such uncertainty.

Government audits and reviews may conclude that our practices are not consistent with applicable laws and regulations and result in adjustments to contract costs and mandatory customer refunds. Such adjustments can be applied retroactively, which could result in significant customer refunds. Our receipt of adverse audit findings or the failure to obtain an "adequate" determination of our various accounting and management internal control systems, including our recent changes to indirect cost and direct labor estimating systems, from the responsible U.S. Government agency could significantly and adversely affect our business, including our ability to bid on new contracts and our competitive position in the bidding process. A determination of non-compliance with applicable contracting and procurement laws, regulations and standards could also result in the U.S. Government imposing penalties and sanctions against us, including withholding of payments, suspension of payments and increased government scrutiny that could delay or adversely affect our ability to invoice and receive timely payment on contracts, perform contracts or compete for contracts with the U.S. Government. In addition, proposed regulatory changes, if adopted, would require DoD contracting officers to impose contractual withholdings at no less than certain minimum levels based on assessments of a contractor's business systems.

Our indirect cost audits by the DCAA have not been completed for fiscal 2005 and subsequent fiscal years. Although we have recorded contract revenues subsequent to fiscal 2004 based upon our estimate of costs that we believe will be approved upon final audit or review, we do not know the outcome of any ongoing or future audits or reviews and adjustments and, if future adjustments exceed our estimates, our profitability would be adversely affected.

Our business is subject to governmental review and investigation which could adversely affect our profitability, cash position or growth prospects.

We are routinely subject to governmental investigations relating to our contracts and operations. If a review or investigation identifies improper or illegal activities, we may be subject to civil or criminal penalties or administrative sanctions, including the termination of contracts, forfeiture of profits, the triggering of price reduction clauses, suspension of payments, fines and suspension or debarment from doing business with governmental agencies. We may suffer harm to our reputation if allegations of impropriety are made against us, which would impair our ability to win new contract awards or receive contract renewals. Penalties and sanctions are not uncommon in our industry. If we incur a material penalty or administrative sanction or otherwise suffer harm to our reputation, our profitability, cash position and future prospects could be adversely affected. More generally, increases in scrutiny and investigations from government organizations, legislative bodies or agencies into business practices and into major programs supported by contractors may lead to increased legal costs and may harm our reputation and profitability if we are among the targeted companies.

Due to the competitive process to obtain contracts and an increase in bid protests, we may be unable to sustain our revenue growth and profitability.

We expect that a majority of the business that we seek in the foreseeable future will be awarded through a competitive bidding process. The U.S. Government has increasingly relied on certain types of contracts that are subject to a competitive bidding process, including IDIQ, GSA Schedule and other multi-award contracts, which has resulted in greater competition and increased pricing pressure. The competitive bidding process involves substantial costs and a number of risks, including the significant cost and managerial time to prepare bids and proposals for contracts that may not be awarded to us and our failure to accurately estimate the resources and costs that will be required to fulfill any contract we win. Following contract award, we may encounter significant expense, delay, contract modifications or even contract loss as a result of our competitors protesting the award of contracts to us in competitive bidding. Any resulting loss or delay of start up and funding of work under protested contract awards may adversely affect our revenues and/or profitability. In addition, multi-award contracts require that we make sustained post-award efforts to obtain task orders under the contract. As a result, we may not be able to obtain these task orders or recognize revenues under these multi-award contracts. Our failure to compete effectively in this procurement environment would adversely affect our revenues and/or profitability.

The U.S. Government may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may be unable to sustain our revenue growth and may suffer a decline in revenues.

Many of the U.S. Government programs in which we participate as a contractor or subcontractor may extend for several years and include one or more base years and one or more option years. These programs are normally funded on an annual basis. Under our contracts, the U.S. Government generally has the right not to exercise options to extend or expand our contracts and may modify, curtail or terminate the contracts at its convenience. Any decision by the U.S. Government not to exercise contract options or to modify, curtail or terminate our major programs or contracts would adversely affect our revenues and revenue growth. For example, in fiscal 2010, the DoD announced its intent to restructure one of our largest programs, Future Combat Systems, which has been renamed Army Brigade Combat Team Modernization. As a result of this restructuring, certain efforts associated with this program were terminated.

We have experienced and continue to experience periodic performance issues under certain of our contracts. If a government customer terminates a contract for default, we may be exposed to liability, including for excess costs incurred by the customer in procuring undelivered services and products from another source. Depending on the nature and value of the contract, a performance issue or termination for default could cause our actual results to differ from those anticipated and could harm our reputation.

We may not realize as revenues the full amounts reflected in our backlog, which could adversely affect our expected future revenues and growth prospects.

As of January 31, 2011, our total backlog was $17.3 billion, which included $5.5 billion in funded backlog. Due to the U.S. Government's ability to not exercise contract options or to modify, curtail or terminate our major programs or contracts and the rights of our non-U.S. Government customers to cancel contracts and purchase orders in certain circumstances, we may never realize revenues from some of the contracts that are included in our backlog. Our unfunded backlog, in particular, contains management's estimate of amounts expected to be realized on unfunded contract work that may never be realized as revenues. If we fail to realize as revenues amounts included in our backlog, our expected future revenue and growth prospects could be adversely affected.

Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our failure to accurately estimate and manage costs, time and resources.

We generate revenues under various types of contracts, which include cost reimbursement, T&M, FP-LOE and FFP contracts. Our earnings and profitability may vary materially depending on changes in the proportionate amount of revenues derived from each type of contract, the nature of services or products provided, as well as the achievement of performance objectives and the stage of performance at which the right to receive fees, particularly under incentive and award fee contracts, is finally determined. Cost reimbursement and T&M contracts generally have lower profitability than FFP contracts. Our operating results in any period may be affected, positively or negatively, by variable purchasing patterns by our customers of our more profitable proprietary products.

Our profitability is adversely affected when we incur contract costs that we cannot bill to our customers. To varying degrees, each of our contract types involves some risk that we could underestimate our costs and resources necessary to fulfill the contract. While FFP contracts allow us to benefit from cost savings, these contracts also increase our exposure to the risk of cost overruns. Revenues derived from FFP contracts represented 24% of our total revenues for fiscal 2011. When making proposals on these types of contracts, we rely heavily on our estimates of costs and timing for completing the associated projects, as well as assumptions regarding technical issues. In each case, our failure to accurately estimate costs or the resources and technology needed to perform our contracts or to effectively manage and control our costs during the performance of our work could result, and in some instances has resulted, in reduced profits or in losses. More generally, any increased or unexpected costs or unanticipated delays in connection with the performance of our contracts, including costs and delays caused by contractual disputes or other factors outside of our control, could make our contracts less profitable than expected or unprofitable.

We use estimates in recognizing revenues and if we make changes to estimates used in recognizing revenues, our profitability may be adversely affected.

Revenues from our contracts are primarily recognized using the percentage-of-completion method or on the basis of partial performance towards completion. These methodologies require estimates of total costs at completion, fees earned on the contract, or both. This estimation process, particularly due to the technical nature of the services being performed and the long-term nature of certain contracts, is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimate is recognized as events become known. Changes in the underlying assumptions, circumstances or estimates could result in adjustments that may adversely affect future financial results.

Internal system or service failures could disrupt our business and impair our ability to effectively provide our services and products to our customers, which could damage our reputation and adversely affect our revenues and profitability.

We have a number of projects underway to improve our information technology systems and the delivery of shared services throughout our company. Any system or service disruptions, including those caused by projects to improve our information technology systems and the delivery of shared services, if not anticipated and appropriately mitigated, could have a material adverse effect on our business including, among other things, an adverse effect on our ability to bill our customers for work performed on our contracts, collect the amounts that have been billed and produce accurate financial statements in a timely manner.

We are also subject to systems failures, including network, software or hardware failures, whether caused by us, third-party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Any such failures could cause loss of data and interruptions or delays in our business, cause us to incur remediation costs, subject us to claims and damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations or otherwise adversely affect our business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, our future results could be adversely affected.

Customer systems failures, including security breaches, could damage our reputation and adversely affect our revenues and profitability.

Many of the systems and networks that we develop, install and maintain for our customers involve managing and protecting personal information and information relating to national security and other sensitive government functions. While we have programs designed to comply with relevant privacy and security laws and restrictions, if a system or network that we develop, install or maintain were to fail or experience a security breach or service interruption, we may experience loss of revenue, remediation costs or face claims for damages or contract termination. Any such event could cause serious harm to our reputation and prevent us from having access to or being eligible for further work on such systems and networks. Our errors and omissions liability insurance may be inadequate to compensate us for all of the damages that we may incur and, as a result, our future results could be adversely affected.

Misconduct of our employees, subcontractors, agents and business partners could cause us to lose customers or our ability to obtain new contracts.

Misconduct, fraud or other improper activities by our employees, subcontractors, agents or business partners could have a significant adverse impact on our business and reputation. Such misconduct could include the failure to comply with federal, state or local government procurement regulations, regulations regarding the protection of classified information, legislation regarding the pricing of labor and other costs in government contracts, laws and regulations relating to environmental matters, bribery of foreign government officials, import-export control, lobbying or similar activities, and any other applicable laws or regulations. Misconduct involving data security lapses resulting in the compromise of personal information or the improper use of our customer's sensitive or classified information could result in remediation costs, regulatory sanctions against us and serious harm to our reputation. Other examples of potential misconduct include falsifying time or other records and violations of the Anti-Kickback Act. Although we have implemented policies, procedures and controls to prevent and detect these activities, these precautions may not prevent all misconduct and as a result, we could face unknown risks or losses. Our failure to comply with applicable laws or regulations or misconduct by any of our employees, subcontractors, agents or business partners could subject us to fines and penalties, loss of security clearance, loss of current and future customer contracts and suspension or debarment from contracting with federal, state or local government agencies, any of which would adversely affect our business, our reputation and our future results.

We have contracts with the U.S. Government that are classified which may limit investor insight into portions of our business.

We derive a portion of our revenues from programs with the U.S. Government that are subject to security restrictions (classified programs), which preclude the dissemination of information that is classified for national security purposes. We are limited in our ability to provide information about these classified programs, their risks or any disputes or claims relating to such programs. As a result, investors have less insight into our classified programs than our other businesses and therefore less ability to fully evaluate the risks related to our classified business.

We face aggressive competition that can impact our ability to obtain contracts and therefore affect our future revenues and growth prospects.

Our business is highly competitive in both the Government and Commercial segments. We compete with larger companies that have greater name recognition, financial resources and larger technical staffs. We also compete with smaller, more specialized companies that are able to concentrate their resources on particular areas. In the Government segment, we additionally compete with the U.S. Government's own capabilities and federal non-profit contract research centers.

The markets in which we operate are characterized by rapidly changing technology and the needs of our customers change and evolve regularly. Accordingly, our success depends on our ability to develop services and products that address these changing needs and to provide people and technology needed to deliver these services and products. To remain competitive, we must consistently provide superior service, technology and performance on a cost-effective basis to our customers. Our competitors may be able to provide our customers with different or greater capabilities or technologies or better contract terms than we can provide, including technical qualifications, past contract experience, geographic presence, price and the availability of qualified professional personnel. In addition, our competitors may consolidate or establish teaming or other relationships among themselves or with third parties to increase their ability to address customers' needs. Accordingly, we anticipate that larger or new competitors or alliances among competitors may emerge which may adversely affect our ability to compete.

Adverse judgments or settlements in legal disputes could require us to pay potentially large damage awards, which would adversely affect our cash balances and profitability.

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. Adverse judgments or settlements in some or all of these legal disputes may result in significant monetary damages or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or obtain adequate insurance in the future. The litigation and other claims described in this Annual Report on Form 10-K are subject to inherent uncertainties and management's view of these matters may change in the future.

Our failure to attract, train and retain skilled employees, including our management team, would adversely affect our ability to execute our strategy.

Our business involves the development of tailored solutions for our clients, a process that relies heavily upon the expertise and services of our employees. Our continued success depends on our ability to recruit and retain highly trained and skilled engineering, technical and professional personnel. Competition for skilled personnel is intense and competitors aggressively recruit key employees. In addition, many U.S. Government programs require contractors to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain and personnel with security clearances are in great demand. Particularly in highly specialized areas, it has become more difficult to retain employees and meet all of our needs for employees in a timely manner, which may affect our growth in the current fiscal year and in future years. Although we intend to continue to devote significant resources to recruit, train and retain qualified employees, we may not be able to attract and retain these employees. Any failure to do so could impair our ability to perform our contractual obligations efficiently and timely meet our customers' needs and win new business, which could adversely affect our future results.

In addition to attracting and retaining qualified engineering, technical and professional personnel, we believe that our success will also depend on the continued employment of a highly qualified and experienced senior management team and its ability to retain existing business and generate new business. Our senior management team is important to our business because personal reputations and individual business relationships are a critical element of retaining and obtaining customer contracts in our industry, particularly with agencies performing classified operations. Our inability to retain appropriately qualified and experienced senior executives could cause us to lose customers or new business opportunities.

Our services and operations sometimes involve using, handling or disposing of hazardous substances, which could expose us to potentially significant liabilities.

Our operations sometimes involve the investigation or remediation of environmental hazards, as well as the use, handling or disposal of hazardous substances. These activities and our operations generally subject us to extensive foreign, federal, state and local environmental protection and health and safety laws and regulations, which, among other things, require us to incur costs to comply with these regulations and could impose liability on us for handling or disposing of hazardous substances. Furthermore, failure to comply with these environmental protection and health and safety laws and regulations could result in civil, criminal, administrative or contractual sanctions, including fines, penalties or suspension or debarment from contracting with the U.S. Government. Additionally, our ownership and operation of real property also subjects us to environmental protection laws, some of which hold current or previous owners or operators of businesses and real property liable for hazardous substance releases, even if they did not know of and were not responsible for the releases. If we have any violations of, or liabilities pursuant to, these laws or regulations, our financial condition and operating results could be adversely affected.

Acquisitions, investments, joint ventures and divestitures could result in operating difficulties and other adverse consequences to our business.

One of our key operating strategies is to selectively pursue strategic acquisitions, investments and joint ventures. As with past growth, we expect that a significant portion of our future growth will continue to come from these transactions. These transactions require significant investment of time and resources and may disrupt our business and distract our management from other responsibilities. Even if successful, these transactions could, for some period, reduce earnings due to the amortization of intangible assets acquired or the payment of additional consideration under earn-out arrangements if an acquisition performs significantly better than expected. Acquisitions, investments and joint ventures pose many other risks, including:

- we may not be able to identify, compete effectively for or complete suitable acquisitions and investments at prices we consider attractive;
- we may not be able to accurately estimate the financial effect of acquisitions and investments on our business and we may not realize anticipated synergies or acquisitions may not result in improved operating performance;
- we may encounter performance problems with acquired technologies, capabilities and products, particularly with respect to those that are still in development when acquired;
- we may have trouble retaining key employees and customers of an acquired business or otherwise integrating such businesses, such as incompatible accounting, information management, or other control systems, which could result in unforeseen difficulties;
- we may assume material liabilities that were not identified as part of our due diligence or for which we are unable to receive a purchase price adjustment or reimbursement through indemnification;
- acquired entities or joint ventures may not operate profitably, which could adversely affect our operating income or operating margins and we may be unable to recover investments in any such acquisitions;
- future acquisitions, investments and joint ventures may require us to spend a significant amount of cash or to issue capital stock, resulting in dilution of ownership; and
- we may not be able to effectively influence the operations of our joint ventures, which could adversely affect our operations.

If our acquisitions, investments or joint ventures fail, perform poorly or their value is otherwise impaired for reasons including contractions in credit markets and global economic conditions, our business and financial results could be adversely affected.

In addition, we periodically divest businesses, including businesses that are no longer a part of our ongoing strategic plan. These divestitures may result in losses on disposal or continued financial involvement in the divested business, including through indemnification, guarantees or other financial arrangements, for a period of time following the transaction, which would adversely affect our financial results.

Goodwill and other intangible assets represent approximately 30% of our total assets and any impairment of these assets could negatively impact our results of operations.

Intangible assets, including goodwill, are assessed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. Factors considered a change in circumstance, indicating that the carrying value of intangible assets may not be recoverable, could include a significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, loss of key personnel, or a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of. In addition, goodwill and non-amortizable intangible assets are assessed for impairment at least annually as required under U.S. generally accepted accounting principles. Future events or changes in circumstances that result in an impairment of goodwill or other intangible assets would have a negative impact on our profitability and financial results.

We depend on our teaming arrangements and relationships with other contractors and subcontractors. If we are not able to maintain these relationships, or if these parties fail to satisfy their obligations to us or the customer, our revenues, profitability and growth prospects could be adversely affected.

We rely on our teaming relationships with other prime contractors and subcontractors in order to submit bids for large procurements or other opportunities where we believe the combination of services and products provided by us and the other companies will help us to win and perform the contract. Our future revenues and growth prospects could be adversely affected if other contractors eliminate or reduce their contracts relationships with us, or if the U.S. Government terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. Companies that do not have access to U.S. Government contracts may perform services as our subcontractor and that exposure could enhance such companies' prospect of securing a future position as a prime U.S. Government contractor which could increase competition for future contracts and impair our ability to perform on contracts.

We may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, our hiring of a subcontractor's personnel or the subcontractor's failure to comply with applicable law. The current adverse economic conditions heighten the risk of financial stress of our subcontractors, which could adversely impact their ability to meet their contractual requirements to us. If any of our subcontractors fail to timely meet their contractual obligations or have regulatory compliance or other problems, our ability to fulfill our obligations as a prime contractor may be jeopardized. Significant losses could arise in future periods and subcontractor performance deficiencies could result in a customer terminating a contract for default. A termination for default could expose us to liability and have an adverse effect on our ability to compete for future contracts and task orders, especially if the customer is an agency of the U.S. Government.

We could incur significant liabilities and suffer negative publicity if our inspection or detection systems fail to detect bombs, explosives, weapons, contraband or other threats.

We design, develop, manufacture, sell, service and maintain various inspection systems that are designed to assist in the detection of bombs, explosives, weapons, contraband or other threats. In some instances, we also train operators of such systems. Many of these systems utilize software algorithms that are probabilistic in nature and subject to significant technical limitations. Many of these systems are also dependent on the performance of their operators. There are many factors, some of which are beyond our control, which could result in the failure of our products to help detect the presence of bombs, explosives, weapons, contraband or other threats. Some of these factors could include operator error, inherent limitations in our systems, and misuse or malfunction of our systems. The failure of our systems to help detect the presence of any of these dangerous materials could lead to injury, death and extensive property damage and may lead to product liability, professional liability, or other claims against us. Further, if our systems fail to, or are perceived to have failed to help detect a threat, the negative publicity from such incident could have a material adverse effect on our business.

Our insurance may be insufficient to protect us from product and other liability claims.

Our insurance may be insufficient to protect us from significant product and other liability claims. Moreover, there is a risk that commercially available liability insurance will not continue to be available to us at a reasonable cost, if at all. If liability claims exceed our current or available insurance coverage, our business and prospects may be harmed. Regardless of the adequacy of our liability insurance coverages, any significant claim may have an adverse affect on our industry and market reputation, leading to a substantial decrease in demand for our products and services and reduced revenues.

We face risks associated with our international business.

Our international business operations may be subject to additional and different risks than our U.S. business. Failure to comply with U.S. Government laws and regulations applicable to international business such as the Foreign Corrupt Practices Act or U.S. export control regulations could have an adverse impact on our business with the U.S. Government and could expose us to administrative, civil or criminal penalties. Additionally, these risks relating to international operations may expose us to potentially significant contract losses.

In some countries, there is increased chance for economic, legal or political changes that may adversely affect the performance of our services, sale of our products or repatriation of our profits. International transactions can also involve increased financial and legal risks arising from foreign exchange rate variability, imposition of tariffs or additional taxes, restrictive trade policies and differing legal systems. We sometimes provide services and products in support of U.S. Government customers in countries with governments that may be or may become unstable, which increases the risk of an incident resulting in injury or loss of life, or damage or destruction of property, or inability to meet our contractual obligations. Although our international operations have historically generated a small proportion of our revenues, we do not know the impact that these regulatory, geopolitical and other factors may have on our business in the future and any of these factors could adversely affect our business.

Our financial results may be adversely affected by our underfunded United Kingdom pension plan.

Our financial results may be adversely impacted by the expense amount that we record for a pension plan that we sponsor in the United Kingdom for plan participants that primarily performed services on a specific customer contract, which expired on March 31, 2010. In April 2010, plan participants who were then performing services on the contract transferred to a successor contractor. We expect to recognize charges (pre-tax) of approximately $10 million to $20 million from recognition of losses related to the underfunded pension obligations associated with certain plan participants whose pension plan assets and obligations are expected to transfer to a successor contractor and from related costs. The timing and definitive amount of the charges we will incur depends on the number of plan participants who elect to transfer their pension benefits to a successor contractor, the amount of assets and obligations to be transferred, the performance of the pension plan assets and the timing of the transfer of the pension plan assets and obligations. We will have continuing defined benefit pension obligations with respect to certain plan participants. However, as of March 2011, benefits are no longer accruing under the plan. Our pension plan expense may also be affected by economic factors, such as the level of return on pension plan assets and changes in interest rates, legislation and other government regulatory actions.

We have only a limited ability to protect our intellectual property rights, which are important to our success. Our failure to adequately protect our proprietary information and intellectual property rights could adversely affect our competitive position.

We rely principally on trade secrets to protect much of our intellectual property in cases where we do not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information. In addition, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to obtain or maintain trade secret protection could adversely affect our competitive business position. In addition, if we are unable to prevent third parties from infringing or misappropriating our copyrights, trademarks or other proprietary information, our competitive position could be adversely affected.

In the course of conducting our business, we may inadvertently infringe the intellectual property rights of others, resulting in claims against us or our customers. Our contracts generally indemnify our customers for third-party claims for intellectual property infringement by the services and products we provide. The expense of defending these claims may adversely affect our financial results.

Business disruptions caused by natural disasters and other crises could adversely affect our profitability and our overall financial position.

We have significant operations located in regions of the United States that may be exposed to damaging storms and other natural disasters, such as hurricanes, tornadoes, blizzards, flooding, wildfires or earthquakes. Our business could also be disrupted by pandemics and other national or international crises. Although preventative measures may help mitigate damage, the damage and disruption to our business resulting from any of these events may be significant. If our insurance and other risk mitigation mechanisms are not sufficient to recover all costs, including loss of revenues from sales to customers, we could experience a material adverse effect on our financial position and results of operations. Performance failures by our subcontractors due to these types of events may also adversely affect our ability to perform our obligations on a prime contract, which could reduce our profitability due to damages or other costs that may not be fully recoverable from the subcontractor or the customer and could result in a termination of the prime contract and have an adverse effect on our ability to compete for future contracts.

Our financial results may vary significantly from period-to-period.

Our financial results may fluctuate as a result of a number of factors, many of which are outside of our control. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Our financial results may be negatively affected by any of the risk factors listed in this "Risk Factors" section and other matters described elsewhere in this Annual Report on Form 10-K.

Risks Relating to Our Stock

Provisions in our charter documents and under Delaware law could delay or prevent transactions that many stockholders may favor.

Some provisions of our certificate of incorporation and bylaws may have the effect of delaying, discouraging or preventing a merger or acquisition that our stockholders may consider favorable, including transactions in which stockholders might receive a premium for their shares. These restrictions, which may also make it more difficult for our stockholders to elect directors not endorsed by our current directors and management, include the following:

- Our certificate of incorporation provides that our bylaws and certain provisions of our certificate of incorporation may be amended by only two-thirds or more voting power of all of the outstanding shares entitled to vote. These supermajority voting requirements could impede our stockholders' ability to make changes to our certificate of incorporation and bylaws.
- Our certificate of incorporation contains certain supermajority voting provisions, which generally provide that mergers and certain other business combinations between us and a related person be approved by the holders of securities having at least 80% of our outstanding voting power, as well as by the holders of a majority of the voting power of such securities that are not owned by the related person.
- Our stockholders may not act by written consent or call special meetings. As a result, a holder, or holders, controlling a majority of our capital stock are limited in their ability to take certain actions other than in connection with our annual stockholders' meeting.
- Our board of directors may issue, without stockholder approval, shares of undesignated preferred stock. The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

As a Delaware corporation, we are also subject to certain restrictions on business combinations. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years, or among other things, the board of directors has approved the business combination or the transaction pursuant to which such person became a 15% holder prior to the time the person became a 15% holder.

Forward-Looking Statement Risks

You may not be able to rely on forward-looking statements.

This Annual Report on Form 10-K contains forward-looking statements that are based on our management's belief and assumptions about the future in light of information currently available to our management. These statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to:

- changes in the U.S. Government defense budget or budgetary priorities or delays in contract awards or the U.S. budget process;
- changes in U.S. Government procurement rules, regulations, and practices;
- our compliance with various U.S. Government and other government procurement rules and regulations;
- the outcome of governmental reviews, audits and investigations of our company;
- our ability to effectively compete and win contracts with the U.S. Government and other customers;
- our ability to attract, train and retain skilled employees, including our management team;
- our ability to maintain relationships with prime contractors, subcontractors and joint venture partners;
- our ability to obtain required security clearances for our employees;
- our ability to accurately estimate costs associated with our firm-fixed-price and other contracts;
- resolution of legal and other disputes with our customers and others or legal compliance issues;
- our ability to effectively acquire businesses and make investments;
- the failure of our inspection or detection systems to detect threats;
- the adequacy of our insurance programs designed to protect us from significant product or other liability claims;
- our ability to manage risks associated with our international business; and
- our ability to execute our business plan and long-term management initiatives effectively and to overcome these and other known and unknown risks that we face.

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In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or similar terms. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. There are a number of important factors that could cause our actual results to differ materially from those results anticipated by our forward-looking statements. We do not undertake any obligation to update any of the forward-looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those statements or to conform these statements to actual results.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

As of January 31, 2011, we conducted our operations in approximately 449 offices located in 42 states, the District of Columbia and various foreign countries. We consider our facilities suitable and adequate for our present needs. We occupy approximately 10.7 million square feet of floor space. Of this amount, we own approximately 2.5 million square feet, and the remaining balance is leased. Our major locations are in the Washington, D.C. and San Diego, California metropolitan areas, where we occupy approximately 3.3 million square feet of floor space and 1.0 million square feet of floor space, respectively. We also have employees working at customer sites throughout the United States and in other countries.

As of January 31, 2011, we owned the following properties:

Location	Number of buildings	Square footage	Acreage
McLean, Virginia	4	896,000	18.3
San Diego, California	6	593,000	18.5
Vienna, Virginia	2	272,000	14.7
Virginia Beach, Virginia	2	159,000	22.5
Huntsville, Alabama	1	102,000	11.3
Columbia, Maryland	1	95,000	7.3
Colorado Springs, Colorado	1	86,000	5.8
Orlando, Florida	1	85,000	18.0
Oak Ridge, Tennessee	1	83,000	12.5
Dayton, Ohio	2	79,000	4.5
Reston, Virginia	1	62,000	2.6
Richland, Washington	1	24,000	3.1

As of January 31, 2011, we had 6 buildings comprising 528,000 square feet of floor space that were classified as held for sale in the consolidated financial statements contained within this Annual Report on Form 10-K. Two of these buildings were sold subsequent to January 31, 2011.

The nature of our business is such that there is no practicable way to relate occupied space to our reportable segments. See Note 14 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K for information regarding commitments under leases.

Item 3. *Legal Proceedings*

We have provided information about legal proceedings in which we are involved in Note 18 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

In addition to the matters disclosed in Note 18, we are routinely subject to investigations and reviews relating to compliance with various laws and regulations, including those associated with organizational conflicts of interest, with respect to our role as a contractor to governmental agencies and departments and in connection with performing services in countries outside of the United States. Adverse findings in these investigations or reviews can lead to criminal, civil or administrative proceedings and we could face penalties, fines, repayments or compensatory damages. Adverse findings could also have a material adverse effect on our business, consolidated financial position, results of operations and cash flows due to our reliance on government contracts.

Item 4. *(Removed and Reserved)*

Executive and Other Key Officers of the Registrant

The following is a list of the names and ages (as of March 25, 2011) of all of our key officers, indicating all positions and offices held by each such person and each such person's business experience during at least the past five years. Except as otherwise noted, each of the persons listed below has served in his or her present capacity for us for at least the past five years. All such persons have been elected to serve until their successors are elected and qualified or until their earlier resignation or removal.

Name of officer	Age	Position(s) with the company and prior business experience
Deborah H. Alderson*	54	Group President since 2005. Ms. Alderson previously served as Deputy Group President from August 2005 to October 2005. Prior to joining us, Ms. Alderson held various positions with Anteon International Corporation, a systems integration services provider, including President of the Systems Engineering Group from 2002 to 2005, and Senior Vice President and General Manager of the Systems Engineering Group from 1998 to 2002. Ms. Alderson held various positions with Techmatics, Inc., a systems engineering provider, from 1985 to 1998.
Amy E. Alving	48	Chief Technology Officer and Senior Vice President since 2007. Ms. Alving held various positions with us since 2005, including serving as Chief Scientist from June 2007 to December 2007. Prior to joining us, Ms. Alving served as the Director of the Special Projects Office with Defense Advanced Research Projects Agency from 2001 to 2005 and was a White House fellow at the Department of Commerce from 1997 to 1998.
Joseph W. Craver III*	52	Group President since 2007. Mr. Craver previously held various positions with us since 1989, including serving in successive line managerial positions from 1997 to 2007. Prior to joining us, Mr. Craver held various positions with the U.S. Navy nuclear submarine program from 1981 to 1989.
James E. Cuff*	51	Executive Vice President for Business Development, Strategy, and Mergers and Acquisitions since 2010. Mr. Cuff has held various positions with us since 1991, including Senior Vice President and General Manager of our Logistics and Engineering Solutions Business Unit from April 2001 to August 2010. Prior to joining us through our acquisition of Logistics Systems Architects in 1991, Mr. Cuff served four years in several senior positions, and seven years in the private sector systems integration business, serving in a variety of management and business development positions.
Steven P. Fisher	50	Treasurer and Senior Vice President since 2001. Mr. Fisher has held various positions with us since 1988, including serving as Assistant Treasurer and Corporate Vice President for Finance from 1997 to 2001 and Vice President from 1995 to 1997.
John R. Hartley*	45	Senior Vice President and Corporate Controller since 2005. Mr. Hartley has held various positions within our finance organization since 2001. For 12 years prior to that, Mr. Hartley was with the accounting firm currently known as Deloitte & Touche LLP.
Walter P. Havenstein*	61	Chief Executive Officer and Director since September 2009. From January 2007 until joining us, Mr. Havenstein served as Chief Operating Officer and member of the Board of Directors for BAE Systems plc, a $34 billion global aerospace and defense company, and as President and Chief Executive Officer of its U.S. subsidiary, BAE Systems Inc., with 53,000 employees and annual sales in excess of $20 billion. From August 2005 to August 2007, Mr. Havenstein served as President of the Electronics & Integrated Solutions Operating Group of BAE Systems, Inc. and served as Executive Vice President since January 2004. Before that, he was president of BAE Systems' Information and Electronic Warfare Systems business unit. Mr. Havenstein was president of the Sanders defense electronics business prior to it being acquired by BAE from Lockheed Martin in 2000. Before joining Sanders in 1999, he had been vice president and general manager of the Strategic Systems Division of Raytheon.

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Name of officer	Age	Position(s) with the company and prior business experience
Deborah L. James*	52	Executive Vice President for Communications and Government Affairs since 2010. Ms. James served as Business Unit General Manager for the Command, Control, Communications, Computers, and Information Technology business unit from March 2005 to August 2010. Immediately prior to joining us in 2002, Ms. James was the Executive Vice President and Chief Operating Officer of the Business Executives for National Security. She has served in senior homeland and national security management, policy and program positions in government and the private sector for more than 25 years.
Brian F. Keenan*	54	Executive Vice President for Human Resources since 2007. Mr. Keenan previously held various positions with us since 2000, including serving as Vice President and Director of U.S. Human Resource operations from 2004 to 2007. Prior to joining us, Mr. Keenan held various positions with Mobil and ExxonMobil from 1985 to 2000.
Vincent A. Maffeo*	60	Executive Vice President and General Counsel since 2010. Prior to joining us in June 2010, from 1977 to 2009, Mr. Maffeo was with ITT Corporation, a high-technology engineering and manufacturing company, where he served as Senior Vice President and General Counsel from 1995 until 2009. He held various other increasingly responsible legal positions at ITT Corporation in the telecommunications, defense and automotive businesses, and at the European Headquarters of ITT Europe, before becoming General Counsel.
Anthony J. Moraco*	51	Executive Vice President for Operations and Performance Excellence since August 2010. Mr. Moraco served as Business Unit General Manager and deputy of the Space and Geospatial Intelligence business unit from February 2006 to August 2010. Prior to joining us in 2006, Mr. Moraco was with the Boeing Company from 2000 to 2006 and served as the Deputy General Manager of Mission Systems in the Space & Intelligence Systems organization and also the Director of Homeland Security Technology Integration.
K. Stuart Shea*	54	Group President since 2007. Since joining us in 2005, Mr. Shea first served as Senior Vice President and Business Unit General Manager. Prior to joining us, Mr. Shea served as Vice President and Executive Director of Northrop Grumman Corporation's TASC Space and Intelligence operating unit from 1999 to 2005, and led other organizations from 1987 to 1999. Mr. Shea held positions with PAR Technology Corporation from 1982 to 1987.
Mark W. Sopp*	45	Executive Vice President and Chief Financial Officer since 2005. Prior to joining us, Mr. Sopp served as Senior Vice President, Chief Financial Officer and Treasurer of Titan Corporation, a defense and intelligence contractor, from April 2001 to July 2005 and Vice President and Chief Financial Officer of Titan Systems Corporation, a subsidiary of Titan Corporation, from 1998 to 2001.

* Indicates an executive officer.

Pursuant to General Instruction G(3) of General Instructions to Form 10-K, the list above is included as an unnumbered Item in Part I of this Annual Report on Form 10-K in lieu of being incorporated by reference from our definitive Proxy Statement used in connection with the solicitation of proxies for our 2011 Annual Meeting of Stockholders (2011 Proxy Statement).

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol "SAI." Prior to the November 2009 reclassification in which our Class A preferred stock was converted into common stock, our Class A preferred stock was not listed on a national securities exchange or traded in an organized over-the-counter market. Shares of our Class A preferred stock were convertible on a one-for-one basis into shares of common stock and had the same economic rights as shares of common stock.

Historical Stock Prices

The range of high and low sales prices at closing of our common stock on the NYSE for each fiscal quarter during the last two fiscal years was as follows:

	Fiscal 2011	
Fiscal Quarter	High	Low
1st quarter (February 1, 2010 to April 30, 2010)	$ 19.70	$ 17.20
2nd quarter (May 1, 2010 to July 31, 2010)	$ 18.09	$ 16.43
3rd quarter (August 1, 2010 to October 31, 2010)	$ 17.16	$ 14.88
4th quarter (November 1, 2010 to January 31, 2011)	$ 16.69	$ 15.13

	Fiscal 2010	
Fiscal Quarter	High	Low
1st quarter (February 1, 2009 to April 30, 2009)	$ 20.28	$ 16.98
2nd quarter (May 1, 2009 to July 31, 2009)	$ 18.94	$ 16.97
3rd quarter (August 1, 2009 to October 31, 2009)	$ 18.93	$ 17.38
4th quarter (November 1, 2009 to January 31, 2010)	$ 19.45	$ 17.64

Holders of Common Stock

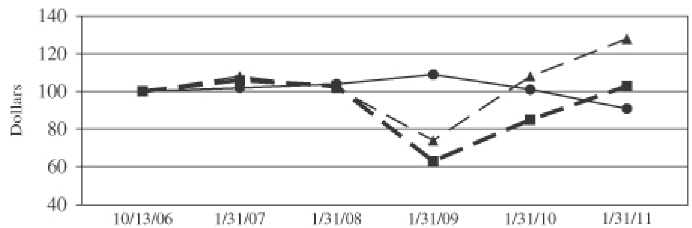
As of March 18, 2011, there were approximately 33,800 holders of record of our common stock. The number of stockholders of record of our common stock is not representative of the number of beneficial owners due to the fact that many shares are held by depositories, brokers, or nominees.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, except for a special dividend declared by Science Applications International Corporation in connection with the October 2006 reorganization merger and initial public offering. We do not expect to pay any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend on available cash, estimated cash needs, earnings, financial condition, operating results, capital requirements, applicable contractual restrictions and other factors that our board of directors deems relevant. In addition, our ability to declare and pay dividends on our stock may be restricted by the provisions of Delaware law and covenants in our revolving credit facility.

Stock Performance Graph

The following graph compares the total cumulative return on our common stock from October 13, 2006 (the date our common stock commenced trading on the NYSE) through our fiscal year ended January 31, 2011 to two indices: (i) the Standard & Poor's 500 Composite Stock Index and (ii) the Standard & Poor's North American Technology-Services Index (formerly known as the Goldman Sachs Technology-Services Index). As of January 31, 2011, our common stock was a component of each of the comparison indices. The graph assumes an initial investment of $100 on October 13, 2006 and that dividends, if any, have been reinvested. The comparisons in the graph are required by the SEC, based upon historical data and are not intended to forecast or be indicative of possible future performance of our common stock.



	10/13/2006	1/31/2007	1/31/2008	1/31/2009	1/31/2010	1/31/2011
SAIC Stock Price	100	102	104	109	101	91
S&P 500 Composite Index	100	106	103	63	85	103
S&P North American Tech - Svcs Index	100	108	102	74	108	128

Purchases of Equity Securities

In December 2006, our board of directors authorized a stock repurchase program (the 2006 Repurchase Program) under which we could repurchase shares of our common stock as part of our overall strategy for capital allocation. We repurchased an aggregate of 82 million shares under the 2006 Repurchase Program. In December 2010, our board of directors terminated the 2006 Repurchase Program and authorized a new stock repurchase program (the 2010 Repurchase Program) under which we may repurchase up to 40 million shares of our common stock. Stock repurchases may be made on the open market or in privately negotiated transactions with third parties. Whether repurchases are made and the timing and actual number of shares repurchased depends on a variety of factors including price, corporate capital requirements, other market conditions and regulatory requirements. As of January 31, 2011, we have repurchased an aggregate of 10 million shares under the 2010 Repurchase Program, leaving 30 million shares remaining authorized for repurchase under this program.

The following table presents repurchases of our stock during the quarter ended January 31, 2011:

Period	(a) Total Number of Shares (or Units) Purchased [1]	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Repurchase Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [2]
November 1, 2010 – November 30, 2010	93,181	$ 15.81	—	6,802,503
December 1, 2010 – December 31, 2010	3,457,522	$ 15.86	3,098,574	36,901,426
January 1, 2011 – January 31, 2011	6,902,514	$ 16.21	6,678,961	30,222,465
Total	10,453,217	$ 16.09	9,777,535	

(1) Includes shares purchased as follows:

	November	December	January
Under publicly announced plans or programs	—	3,098,574	6,678,961
Upon surrender by stockholders of previously owned shares in payment of the exercise price of non-qualified stock options	87,405	253,631	191,321
Upon surrender by stockholders of previously owned shares to satisfy statutory tax withholding obligations related to vesting of stock awards	5,776	105,317	32,232
Total	93,181	3,457,522	6,902,514

(2) The 2010 Repurchase Program under which we may repurchase up to 40 million shares of our common stock was publicly announced in December 2010.

PART II

Item 6. *Selected Financial Data*

The selected financial data set forth below is derived from our financial statements for each of the fiscal years in the five year period ended January 31, 2011. This information should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II and our consolidated financial statements and the notes thereto contained within this Annual Report on Form 10-K.

	Year Ended January 31				
	2011	2010	2009	2008	2007
	(in millions, except per share data)				
Consolidated Statement of Income Data:					
Revenues	**$ 11,117**	$ 10,846	$ 10,070	$ 8,926	$ 8,060
Cost of revenues [(1)]	**9,632**	9,343	8,692	7,686	6,974
Selling, general and administrative expenses [(1)]	**527**	636	602	567	514
Operating income	**958**	867	776	673	572
Interest income [(2)]	**2**	2	20	56	116
Interest expense	**(79)**	(76)	(78)	(90)	(92)
Other income (expense), net	**2**	6	(15)	(6)	—
Income from continuing operations before income taxes	**883**	799	703	633	596
Provision for income taxes	**(314)**	(299)	(256)	(243)	(231)
Income from continuing operations	**569**	500	447	390	365
Income (loss) from discontinued operations, net of tax	**49**	(3)	5	26	25
Net income	**$ 618**	$ 497	$ 452	$ 416	$ 390
EPS:					
Basic:					
Income from continuing operations	**$ 1.51**	$ 1.26	$ 1.10	$ .94	$ 1.03
Income (loss) from discontinued operations	**.13**	(.01)	.01	.06	.07
	$ 1.64	$ 1.25	$ 1.11	$ 1.00	$ 1.10
Diluted:					
Income from continuing operations	**$ 1.51**	$ 1.24	$ 1.08	$ .92	$ 1.00
Income from discontinued operations	**.12**	—	.01	.06	.07
	$ 1.63	$ 1.24	$ 1.09	$ .98	$ 1.07

	January 31				
	2011	2010	2009	2008	2007
	(in millions, except per share data)				
Consolidated Balance Sheet Data:					
Total assets	**$ 6,223**	$ 5,295	$ 5,048	$ 4,981	$ 4,559
Long-term debt	**1,849**	1,103	1,099	1,098	1,199
Other long-term liabilities	**135**	195	182	148	102
Stockholders' equity	**2,491**	2,291	2,084	1,868	1,502
Cash dividends per share declared and paid[(2)]	**—**	—	—	—	15

(1) We classify indirect costs incurred within or allocated to our Government segment as overhead (included in cost of revenues) and general and administrative (G&A) expenses in the same manner as such costs are defined in our disclosure statements under U.S. Government Cost Accounting Standards. Effective in fiscal 2011, we updated our disclosure statements with the Defense Contract Management Agency, resulting in certain costs being classified differently as either overhead or G&A expenses on a prospective basis. This change has caused a net increase in reported cost of revenues and a net decrease in reported G&A expenses in fiscal 2011 as compared to prior fiscal years; however, total operating costs were not affected by this change.

(2) Prior to our October 2006 reorganization merger in which Science Applications International Corporation became a subsidiary of SAIC, Inc., Science Applications International Corporation declared a dividend of $2.45 billion. SAIC, Inc. then completed an initial public offering of its common stock for net proceeds of $1.24 billion. These transactions resulted in a decrease in interest-bearing securities.

PART II

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis of our financial condition and results of operations and quantitative and qualitative disclosures about market risk should be read in conjunction with our consolidated financial statements and related notes. This discussion contains forward-looking statements, including statements regarding our intent, belief, or current expectations with respect to, among other things, trends affecting our financial condition or results of operations, backlog, our industry, government spending and the impact of competition. Such statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. See "Item 1A. Risk Factors—Forward-Looking Statement Risks" in Part I of this Annual Report on Form 10-K. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Risk Factors." Due to such uncertainties and risks, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to update these factors or to publicly announce the results of any changes to our forward-looking statements due to future events or developments.

Unless otherwise noted, references to years are for fiscal years ended January 31. For example, we refer to the fiscal year ended January 31, 2011 as "fiscal 2011."

Overview

We are a provider of scientific, engineering, systems integration and technical services and solutions to all branches of the U.S. military, agencies of the U.S. Department of Defense (DoD), the intelligence community, the U.S. Department of Homeland Security and other U.S. Government civil agencies, state and local government agencies, foreign governments and customers in select commercial markets. We use the terms "Company," "we," "us," and "our" to refer to SAIC, Inc. and its consolidated subsidiaries.

Our business is focused on solving issues of national and global importance in the areas of national security, energy and the environment, critical infrastructure and health. We are focusing our investments to expand our business in areas emphasizing: intelligence, surveillance and reconnaissance; cyber security; logistics, readiness and sustainment; energy and environment; and health technology. Our significant long-term management initiatives include:

- achieving internal, or non-acquisition related, annual revenue growth through collaboration and better leveraging of key differentiators across our Company and the deployment of resources and investments into higher growth markets;
- improving our operating income margin through strong contract execution and growth in higher-margin business areas and continued improvement in our information technology (IT) systems infrastructure and related business processes for greater effectiveness and efficiency across all business functions;
- disciplined deployment of our cash resources and use of our capital structure to enhance growth and shareholder value through internal growth initiatives, strategic acquisitions, stock repurchases and other uses as conditions warrant; and
- investing in our people, including enhanced training and career development programs, with a focus on retention and recruiting.

Key financial highlights and events, including progress against these initiatives, during fiscal 2011 include:

- Revenues increased 2% over the prior year with minimal internal revenue growth (as defined in "Non-GAAP Financial Measures"). Our revenue growth for fiscal 2011 was the result of an increase in materials and subcontract revenues on a number of programs in our Government segment partially offset by a decline in revenues in our Commercial segment primarily due to the expiration of an IT outsourcing contract in the United Kingdom in the first quarter of fiscal 2011. Revenue growth continues to be negatively impacted by ongoing industry-wide delays in procurement decisions, which has resulted in an increase in submitted proposals awaiting decisions.
- Operating income as a percentage of revenues increased to 8.6% for fiscal 2011 from 8.0% for fiscal 2010. The increase in operating margin is primarily due to the favorable impact of a $56 million royalty payment received in fiscal 2011 in addition to strong program performance, particularly on certain fixed-price contracts.
- Income from continuing operations for fiscal 2011 increased $69 million, or 14%, over the prior year primarily due to increased operating income of $91 million and a lower effective tax rate.
- Diluted earnings per share from continuing operations for fiscal 2011 increased $.27 per share, or 22%, as compared to the prior year primarily due to a $69 million, or 14%, increase in income from continuing operations and a decline in the diluted weighted average number of shares outstanding of 24 million, or 6%, primarily due to stock repurchases.
- Cash and cash equivalents increased $506 million during fiscal 2011, primarily due to $737 million generated from operations and net proceeds of $742 million from issuance of debt, partially offset by repurchases of our stock of $601 million and $382 million used to acquire businesses.

- Net bookings (as defined in "Key Financial Metrics—Bookings and Backlog") were approximately $12.8 billion for fiscal 2011, as compared to $9.5 billion in the prior year. Total backlog was $17.3 billion at January 31, 2011, an increase of approximately $1.7 billion from January 31, 2010.

Business Environment and Trends

In fiscal 2011, we generated 89% of our total revenues from contracts with the U.S. Government, either as a prime contractor or a subcontractor. Revenues under contracts with the DoD, including subcontracts under which the DoD is the ultimate purchaser, represented 74% of our total revenues in fiscal 2011. Accordingly, our business performance is subject to changes in the overall level of U.S. Government spending, especially defense spending, and the alignment of our service and product offerings and capabilities with current and future budget priorities.

In February 2011, the Obama Administration submitted the Presidential Budget for the government fiscal year ending September 30, 2012 (GFY 2012) to Congress. We continue to assess the Administration's proposed GFY 2012 budget and potential congressional reactions, as well as the impact of recent continuing resolutions and other legislative action required to fund the remainder of GFY 2011. A continuing resolution authorizes agencies of the U.S. Government to continue to operate, generally at the same funding levels from the prior year (in this case, GFY 2010), but does not authorize new spending initiatives. If continuing resolutions remain in effect for an extended period of time, it could delay new contract awards, delay the procurement of products, services and solutions we provide, or result in new spending initiatives being cancelled.

Given current macroeconomic and debt concerns, there has been significant discussion about the future sustainability of U.S. Government spending levels and the possible need for spending cuts. The GFY 2012 Presidential Budget request is less than the GFY 2011 request, but more than the approved GFY 2010 budget. Overall, domestic discretionary spending is expected to decrease in the next few years, but the rate of decrease and the point at which it will flatten are still unclear. For the DoD, while the rate of budget growth is expected to decrease in the next two years and then be relatively flat, a decline is certainly possible in future years depending on economic conditions and deficit concerns.

The GFY 2012 Presidential Budget submission contains a continuing focus on science, energy, and infrastructure, all of which are aligned with our capabilities, as well as the enduring requirement for a strong national defense. Our strategy and capabilities are aligned with a number of areas emphasized in the latest DoD budget and the Quadrennial Defense Review, including defense modernization, cyber security, training, countermeasures to weapons of mass destruction, homeland security, and intelligence, surveillance and reconnaissance programs. We believe that our capabilities and status as a platform agnostic system integrator position us to successfully compete for new and future contracts with the DoD.

Competition for contracts with the U.S. Government continues to be intense. The U.S. Government has increasingly used contracting processes that give it the ability to select multiple winners or pre-qualify certain contractors to provide various services or products at established general terms and conditions. Such processes include purchasing services and solutions using indefinite-delivery/indefinite-quantity (IDIQ) and U.S. General Services Administration (GSA) contract vehicles. This trend has served to increase competition for U.S. Government contracts. There are a number of additional risks and uncertainties which could impact our U.S. Government business. For more information on these risks and uncertainties, see "Item 1A. Risk Factors" in Part I of this Annual Report on Form 10-K.

Reportable Segments

We have three reportable segments: Government, Commercial, and Corporate and Other. Our operating business units are aggregated into the Government or Commercial segments, depending on the nature of the customers served, the contractual requirements and the regulatory environment governing the business unit's operations. Except with respect to "Results of Operations—Discontinued Operations" and "—Net Income and Diluted EPS," all amounts in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are presented for our continuing operations. For additional information regarding our reportable segments, see "Item 1. Business" in Part I and Note 16 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Key Financial Metrics

Sources of Revenues

Our revenues are generated primarily from contracts with the U.S. Government, commercial customers, and various foreign, state and local governments or from subcontracts with other contractors engaged in work with such customers. We perform under various types of contracts, which include firm-fixed-price, time-and-materials, fixed-price-level-of-effort, cost-plus-fixed-fee, cost-plus-award-fee and cost-plus-incentive-fee contracts.

We recognize revenues under cost-plus-fixed-fee contracts with the U.S. Government on the basis of partial performance, as costs are incurred together with an estimate of applicable fees as we become contractually entitled to reimbursement of costs and the applicable fees. We recognize revenues under our other contracts primarily using the percentage-of-completion method. Under the percentage-of-completion method, revenues are recognized based on progress towards completion, with performance measured by the cost-to-cost method, efforts-expended method or units-of-delivery method, all of which require estimating total costs at completion.

Bookings and Backlog. We received net bookings worth an estimated $12.8 billion and $9.5 billion during fiscal 2011 and 2010, respectively. Net bookings represent the estimated amount of revenue to be earned in the future from funded and unfunded contract awards that were received during the year, net of any adjustments to previously awarded backlog amounts. We calculate net bookings as the year's ending backlog plus the year's revenues less the prior year's ending backlog and less the backlog obtained in acquisitions during the year.

Backlog represents the estimated amount of future revenues to be recognized under negotiated contracts as work is performed. We segregate our backlog into two categories as follows:

- *Funded Backlog.* Government segment funded backlog primarily represents contracts for which funding is appropriated less revenues previously recognized on these contracts. Government segment funded backlog does not include the unfunded portion of contracts where funding is incrementally appropriated or authorized on a quarterly or annual basis by the U.S. Government and other customers, even though the contract may call for performance over a number of years. Commercial segment funded backlog represents the estimated value on contracts, which may cover multiple future years, under which we are obligated to perform, less revenues previously recognized on these contracts.
- *Negotiated Unfunded Backlog.* Negotiated unfunded backlog represents estimated amounts of revenue to be earned in the future from (1) negotiated contracts for which funding has not been appropriated or otherwise authorized and (2) unexercised priced contract options. Negotiated unfunded backlog does not include any estimate of future potential task orders expected to be awarded under IDIQ, GSA Schedule, or other master agreement contract vehicles.

The estimated value of our total backlog as of the end of the last two fiscal years was as follows:

	January 31	
	2011	2010
	(in millions)	
Government segment:		
Funded backlog	**$ 5,034**	$ 4,684
Negotiated unfunded backlog	**11,615**	10,168
Total Government segment backlog	**$ 16,649**	$ 14,852
Commercial segment:		
Funded backlog	**$ 511**	$ 568
Negotiated unfunded backlog	**148**	155
Total Commercial segment backlog	**$ 659**	$ 723
Total:		
Funded backlog	**$ 5,545**	$ 5,252
Negotiated unfunded backlog	**11,763**	10,323
Total backlog	**$ 17,308**	$ 15,575

Total backlog may fluctuate from period to period depending on our success rate in winning contracts and the timing of contract awards, renewals, modifications and cancellations. While backlog increased during fiscal 2011, contract awards continue to be negatively impacted by ongoing industry-wide delays in procurement decisions, which have resulted in an increase in the value of our submitted proposals awaiting decisions.

We expect to recognize a substantial portion of our funded backlog as revenues within the next 12 months. However, the U.S. Government may cancel any contract at any time. In addition, certain contracts with commercial customers include provisions that allow the customer to cancel at any time. Most of our contracts have cancellation terms that would permit us to recover all or a portion of our incurred costs and fees for work performed.

Contract Types. For a discussion of the types of contracts under which we generate revenue, see "Contract Types" in "Item 1. Business" in Part I of this Annual Report on Form 10-K. The following table summarizes revenues by contract type as a percentage of total revenues for the last three fiscal years:

	Year Ended January 31		
	2011	2010	2009
Cost-reimbursement	**46%**	48%	48%
T&M and FP-LOE	**30**	30	33
FFP	**24**	22	19
Total	**100%**	100%	100%

The increase in the percentage of revenues generated from FFP contracts for fiscal 2011 as compared to prior years was primarily due to increased deliveries of logistics, readiness and sustainment products and proprietary products in addition to a $56 million royalty payment received in fiscal 2011.

Revenue Mix. We generate revenues under our contracts from (1) the efforts of our technical staff, which we refer to as labor-related revenues, and (2) the materials provided on a contract and efforts of our subcontractors, which we refer to as M&S revenues. M&S revenues are generated primarily from large, multi-year systems integration contracts and contracts in our logistics, readiness and sustainment business area, as well as through sales of our proprietary products, such as our border, port and mobile security products and our checked baggage explosive detection systems. While our proprietary products are more profitable, these products represent a small percentage of our M&S revenues and the majority of our M&S revenues generally have lower margins than our labor-related revenues. The following table presents changes in labor-related revenues and M&S revenues for the last three fiscal years:

	Year Ended January 31				
	2011	Percent change	2010	Percent change	2009
	(dollars in millions)				
Labor-related revenues	**$ 6,331**	1%	$ 6,289	5%	$ 6,007
As a percentage of revenues	***57%***		*58%*		*60%*
M&S revenues	**4,786**	5	4,557	12	4,063
As a percentage of revenues	***43%***		*42%*		*40%*

In recent years, the increase in relative proportion of M&S revenues as compared to labor-related revenues was primarily due to increased activity as a prime contractor on large programs involving significant subcontracted efforts and increased volume of material deliveries under certain programs primarily with DoD customers, in addition to a $56 million royalty payment received in fiscal 2011. The labor-related revenues in fiscal 2011 were relatively consistent as compared to fiscal 2010 while the increase in labor-related revenues in fiscal 2010 as compared to fiscal 2009 was primarily due to the start of several new programs and increases in both labor rates and the number of personnel performing on contracts.

Customer Concentration. In fiscal 2011, 2010, and 2009, 89%, 89% and 88%, respectively, of our total revenues were attributable to prime contracts with the U.S. Government or to subcontracts with other contractors engaged in work for the U.S. Government. The percentage of total revenues from customers representing greater than 10% of our total revenues for each of the last three fiscal years was as follows:

	Year Ended January 31		
	2011	2010	2009
U.S. Army	**23%**	23%	24%
U.S. Navy	**13**	12	12

Geographic Location. The majority of our services are performed by entities located in the United States. Revenues earned by entities located within the United States accounted for 99%, 99% and 98% of our total revenues in fiscal 2011, 2010 and 2009, respectively.

Results of Operations

The following table summarizes our results of operations for the last three fiscal years:

	Year Ended January 31					
	2011	Percent change	2010	Percent change	2009
			(dollars in millions)		
Revenues	**$ 11,117**	2%	$ 10,846	8%	$ 10,070
Cost of revenues	**9,632**	3	9,343	7	8,692
Selling, general and administrative expenses:					
General and administrative	**318**	(26)	431	2	424
Bid and proposal	**154**	(1)	156	18	132
Internal research and development	**55**	12	49	7	46
Operating income	**958**	10	867	12	776
As a percentage of revenues	***8.6%***		*8.0%*		*7.7%*
Non-operating expense, net	**(75)**		(68)		(73)
Income from continuing operations before income taxes	**883**	11	799	14	703
Provision for income taxes	**(314)**	5	(299)	17	(256)
Income from continuing operations	**569**	14	500	12	447
Income (loss) from discontinued operations, net of tax	**49**		(3)		5
Net income	**$ 618**	24	$ 497	10	$ 452

We classify indirect costs incurred within or allocated to our Government segment as overhead (included in cost of revenues) and G&A expenses in the same manner as such costs are defined in our disclosure statements under U.S. Government Cost Accounting Standards. Effective in fiscal 2011, we updated our disclosure statements with the Defense Contract Management Agency, resulting in certain costs being classified differently as either overhead or G&A expenses on a prospective basis. This change has caused a net increase in reported cost of revenues and a net decrease in reported G&A expenses in fiscal 2011 as compared to fiscal 2010 and 2009; however, total operating costs were not affected by this change.

Revenues. The following table summarizes changes in segment revenues for the last three fiscal years:

	Year Ended January 31				
	2011	Percent change	2010	Percent change	2009
			(dollars in millions)		
Government segment revenues	**$ 10,743**	3%	$ 10,390	8%	$ 9,582
As a percentage of total revenues	***97%***		*96%*		*95%*
Commercial segment revenues	**381**	(18)	462	(6)	491
As a percentage of total revenues	***3%***		*4%*		*5%*
Intersegment elimination	**(7)**	17	(6)	(100)	(3)
Total revenues	**$ 11,117**	2	$ 10,846	8	$ 10,070

Government segment revenues increased $353 million, or 3%, including internal revenue growth (as defined in "Non-GAAP Financial Measures") of 1%, in fiscal 2011 as compared to fiscal 2010. Revenue growth continues to be negatively impacted by ongoing industry-wide delays in procurement decisions. However we had revenue growth in a number of areas, most significantly in our systems integration and logistics programs for tactical and mine resistant ambush protected vehicles (an increase of $175 million in fiscal 2011 as compared to fiscal 2010), a systems and software maintenance and upgrades program with the U.S. Army (an increase of $78 million in fiscal 2011 as compared to fiscal 2010), certain intelligence, surveillance, and reconnaissance system solutions for a variety of national security customers (an increase of $78 million in fiscal 2011 as compared to fiscal 2010), systems engineering solutions for the U.S. Navy (an increase of $65 million in fiscal 2011 as compared to fiscal 2010), an infrastructure support services program for an agency of the DoD (an increase of $50 million in fiscal 2011 as compared to fiscal 2010), and a counter improvised explosive device program for an agency of the DoD (an increase of $61 million in fiscal 2011 as compared to fiscal 2010). In addition, we recognized a $56 million royalty payment received in fiscal 2011 in connection with patents previously transferred to a third party (for a discussion of this matter, see Note 19 of the notes to the consolidated financial statements contained in this Annual Report on Form 10-K). These growth areas were partially offset by programs that declined year-over-year. The most significant declines arose from fewer deliveries of emergency responder equipment (a decrease of $99 million in fiscal 2011 as compared to fiscal 2010), a decline in revenues under an IT services contract with NASA (a decrease of $66 million in fiscal 2011 as compared to fiscal 2010) and a reduction in scope under the Army Brigade Combat Team Modernization program (a decrease of $62 million in fiscal 2011 as compared to fiscal 2010).

Government segment revenues increased $808 million, or 8%, including internal revenue growth of 6%, in fiscal 2010 as compared to fiscal 2009. Internal revenue growth in the Government segment for fiscal 2010 was driven by increased activity in military logistics and supply chain management services for the DoD (an increase of $180 million in fiscal 2010 as compared to fiscal 2009). Additionally, we had increases in systems engineering solutions for the U.S. Navy (an increase of $91 million in fiscal 2010 as compared to fiscal 2009) and a systems and software maintenance and upgrades program for the U.S. Army (an increase of $60 million in fiscal 2010 as compared to fiscal 2009). Internal revenue growth was slowed by ongoing delays in procurement decisions. Government segment internal revenue growth was also negatively impacted by 1% due to a year-over-year decline in revenues related to an acquisition that had episodically high hurricane-related revenues in fiscal 2009, prior to its acquisition.

Commercial segment revenues decreased $81 million, or 18%, in fiscal 2011 as compared to fiscal 2010 due to the expiration of an IT outsourcing contract in the United Kingdom (representing a $43 million decline in revenues in fiscal 2011 as compared to fiscal 2010) and reduced volume in our consulting services and information technology business area, which we believe was due to general economic conditions.

Commercial segment revenues decreased $29 million, or 6%, in fiscal 2010 as compared to fiscal 2009 due to declines attributable to foreign currency exchange rates on our foreign operations ($17 million negative impact in fiscal 2010 as compared to fiscal 2009) as well as reduced volume in our consulting services and information technology business area, which we believe was due to continued declines in general economic conditions.

Intersegment elimination consists of revenues recognized by certain operating business units within the Government segment for consulting and information technology services provided to our Corporate and Other segment.

Operating Income. The following table summarizes changes in segment operating income for the last three fiscal years:

	Year Ended January 31				
	2011	Percent change	2010	Percent change	2009
	(dollars in millions)				
Government segment operating income	**$ 964**	12%	$ 862	12%	$ 773
As a percentage of related revenues	***9.0%***		8.3%		8.1%
Commercial segment operating income	**18**	(49)	35	(3)	36
As a percentage of related revenues	***4.7%***		7.6%		7.3%
Corporate and Other segment operating loss	**(24)**	(20)	(30)	(9)	(33)
Total operating income	**$ 958**	10	$ 867	12	$ 776
As a percentage of revenues	***8.6%***		8.0%		7.7%

Government segment operating income increased $102 million, or 12%, in fiscal 2011 and $89 million, or 12%, in fiscal 2010 as compared to the respective prior years. Government segment operating income for fiscal 2011 was favorably impacted by our receipt of a $56 million royalty payment. The increases in Government segment operating income in both fiscal 2011 and 2010 were also due to strong program performance, particularly on certain fixed-price contracts, and increased cost recovery on cost reimbursement contracts. In fiscal 2011, the increases in Government segment operating income were partially offset by increased amortization expense for intangible assets (an increase of $14 million in fiscal 2011 as compared to fiscal 2010) and increased severance charges related to organizational streamlining (an increase of $5 million in fiscal 2011 as compared to fiscal 2010). In fiscal 2010, the increases in Government segment operating income were partially offset by bid and proposal (B&P) and internal research and development (IR&D) costs, which increased as compared to fiscal 2009 primarily due to increased bid submittals to pursue revenue growth, coupled with higher B&P costs due to changes in government procurement practices. B&P expenses have increased in recent years due to an increasing level of contract bid protests on government awards, which may require a rebidding effort, and a shift in government procurement practices towards an increased volume of smaller awards and increased use of IDIQ contract vehicles. IDIQ contract vehicles are awarded to one or more contractors following a competitive bidding process and require contractors to prepare post-award bids and proposals to obtain individual task orders under the IDIQ contract. The level of B&P activities fluctuates depending on the timing of bidding opportunities.

Commercial segment operating income decreased $17 million, or 49%, for fiscal 2011 and $1 million, or 3%, for fiscal 2010 as compared to the respective prior years. The decrease in fiscal 2011 as compared to fiscal 2010 was primarily due to declines in revenue and associated profit resulting from the expiration of an IT outsourcing contract in the United Kingdom (a decrease of $14 million in fiscal 2011 as compared to fiscal 2010). There were also decreases in fiscal 2011 and 2010 as compared to the respective prior years due to reduced volume in our consulting services and information technology business area, which we believe was due to general economic conditions. In addition, severance costs for actions taken to reduce infrastructure costs increased by $3 million in fiscal 2011 as compared to the fiscal 2010.

Corporate and Other segment loss represents corporate costs that are unallowable under U.S. Government Cost Accounting Standards and the net effect of various items that are not directly related to a business unit's operating performance in the Government or Commercial segments. Corporate and Other segment operating loss decreased $6 million, or 20%, for fiscal 2011 as compared to fiscal 2010 primarily due to a decline in stock option expense of $4 million as a result of a decrease in the number of stock options issued in recent years and $3 million received for reimbursement of legal-related costs in connection with the resolution of a patent infringement matter in fiscal 2011 (for a discussion of this matter, see Note 19 of the notes to the consolidated financial statements contained in this Annual Report on Form 10-K). The decrease in fiscal 2010 as compared to fiscal 2009 was primarily due to a non-recurring gain on sale of real estate of $4 million in fiscal 2009.

Interest Income. Interest income was consistent in fiscal 2011 as compared to fiscal 2010 and decreased $18 million, or 90%, in fiscal 2010 as compared to fiscal 2009 primarily due to low market interest rates, a reduction in our average cash balance and the change in our investment strategy to a higher concentration invested in lower-yielding U.S. Treasury and government securities money market accounts in the latter part of fiscal 2009.

Interest Expense. Interest expense primarily reflects interest on our outstanding debt securities and notes payable. Interest expense increased $3 million, or 4%, for fiscal 2011 as compared to fiscal 2010 primarily due to the issuance of $750 million of additional debt in December 2010. Interest expense declined by $2 million, or 3%, for fiscal 2010 as compared to fiscal 2009 primarily due to the payment of an outstanding debt balance at the beginning of fiscal 2010.

As more fully described in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" and Note 8 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K, we are currently exposed to interest rate risks and foreign currency risks that are inherent in the financial instruments and contracts arising from transactions entered into in the normal course of business. From time to time, we use derivative instruments to manage these risks.

Other Income (Expense), Net. The components of other income (expense), net were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Impairment losses on investments	**$ (4)**	$ (1)	$ (14)
Net gain on sale of other investments	**5**	3	6
Equity interest in earnings and impairment losses on investments in unconsolidated affiliates, net	**—**	1	(9)
Other	**1**	3	2
Total other income (expense), net	**$ 2**	$ 6	$ (15)

In fiscal 2009, we recognized $29 million of impairment losses on our ownership interests in Danet GmbH and certain private equity securities held by our venture capital subsidiary. These impairments were due to other-than-temporary declines in their fair values caused by poor business performance, contraction in credit markets and general declines in global economic conditions. The carrying value of our investments as of January 31, 2011 was $13 million.

Provision for Income Taxes. The provision for income taxes as a percentage of income from continuing operations before income taxes was 35.6%, 37.4% and 36.4% in fiscal 2011, 2010 and 2009, respectively. The lower effective income tax rates for fiscal 2011 and fiscal 2009 as compared to fiscal 2010 were primarily due to the reversal of $7 million and $8 million, respectively, in accruals for unrecognized tax benefits as a result of the settlement of federal and state tax audits.

We file income tax returns in the United States and various state and foreign jurisdictions and have effectively settled with the Internal Revenue Service (IRS) for fiscal years prior to and including fiscal 2008. Effective fiscal 2011, we are participating in the IRS Compliance Assurance Process, in which we and the IRS endeavor to agree on the treatment of all tax positions prior to the filing of the tax return, thereby greatly reducing the period of time between return submission and settlement with the IRS.

Income from Continuing Operations. Income from continuing operations increased $69 million, or 14%, in fiscal 2011 and $53 million, or 12%, for fiscal 2010 as compared to the respective prior year periods due to the increases in operating income as well as a lower effective tax rate in fiscal 2011 as compared to fiscal 2010.

Diluted Earnings per Share (EPS) from Continuing Operations. Diluted EPS from continuing operations increased $.27 per share, or 22%, for fiscal 2011 as compared to fiscal 2010 primarily due to a $69 million, or 14%, increase in income from continuing operations and a decline in the diluted weighted average number of shares outstanding of 6%, or 24 million shares, primarily due to stock repurchases. Diluted EPS from continuing operations increased $.16 per share, or 15%, for fiscal 2010 as compared to fiscal 2009 primarily due to a $53 million, or 12%, increase in income from continuing operations and a decline in the diluted weighted average number of shares outstanding of 3%, or 12 million shares, primarily due to stock repurchases.

Discontinued Operations. Discontinued operations for fiscal 2011, 2010 and 2009 primarily related to the sale of Telcordia Technologies, Inc. (Telcordia), which was completed in fiscal 2006. In fiscal 2011, discontinued operations reflects after-tax net gains of $49 million primarily related to the settlement of an arbitration proceeding brought against Telkom South Africa by our former subsidiary and resolution of other contingencies related to the sale of this former subsidiary. Our results of discontinued operations included pre-tax net losses of $6 million and $19 million in fiscal 2010 and 2009, respectively. We also sold a non-strategic component of a business within the Government segment in fiscal 2010. The operating results of the discontinued operations prior to sale for fiscal 2010 and 2009 were not material. In fiscal 2009, we recorded a reduction in the provision for income taxes of discontinued operations of $17 million due to the reversal of uncertain tax positions as a result of the settlement of federal and state tax audits for amounts lower than the recorded amounts and the expiration of statutes of limitation for certain tax years.

Net Income and Diluted EPS. Net income increased $121 million, or 24%, for fiscal 2011 as compared to fiscal 2010. The increase in net income for fiscal 2011 as compared to fiscal 2010 reflects an increase in income from continuing operations of $69 million and an increase in income from discontinued operations of $52 million. Diluted EPS increased $.39 per share, or 31%, for fiscal 2011 as compared to fiscal 2010 due to increases in net income and declines in the diluted number of shares outstanding as discussed above. Net income increased $45 million, or 10%, for fiscal 2010 as compared to fiscal 2009. The increase in net income for fiscal 2010 as compared to fiscal 2009 reflects an increase in income from continuing operations of $53 million and a decrease in income from discontinued operations of $8 million. Diluted EPS increased $.15 per share, or 14%, for fiscal 2010 as compared to fiscal 2009 due to increases in net income and declines in the diluted number of shares outstanding as discussed above.

Liquidity and Capital Resources

We had $1.367 billion in cash and cash equivalents at January 31, 2011, which were primarily comprised of investments in several large institutional money market funds that invest primarily in bills, notes and bonds issued by the U.S. Treasury, U.S. government guaranteed repurchase agreements fully collateralized by U.S. Treasury obligations, U.S. Government guaranteed securities, and investment-grade corporate securities that have original maturities of three months or less. We anticipate our principal sources of liquidity for the next 12 months and beyond will be our existing cash and cash equivalents and cash flows from operations. We may also borrow under our $750 million revolving credit facility, which was amended and restated subsequent to January 31, 2011, and expires in fiscal 2016. We anticipate our principal uses of cash for the next 12 months and beyond will be for operating expenses, capital expenditures, acquisitions of businesses and stock repurchases. We anticipate that our operating cash flows, existing cash and cash equivalents, which have no restrictions on withdrawal, and borrowing capacity under our revolving credit facility will be sufficient to meet our anticipated cash requirements for at least the next 12 months.

Historical Trends

Cash and cash equivalents was $1.367 billion and $861 million at January 31, 2011 and 2010, respectively. The following table summarizes cash flow information for the last three fiscal years:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Total cash flows provided by operations	**$ 737**	$ 620	$ 583
Total cash flows used in investing activities	**(446)**	(306)	(249)
Total cash flows provided by (used in) financing activities	**187**	(398)	(427)
Increase (decrease) in cash and cash equivalents from discontinued operations	**29**	4	(51)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(1)**	5	(16)
Total increase (decrease) in cash and cash equivalents	**$ 506**	$ (75)	$ (160)

Cash Provided by Operations. Cash flows from operations increased $117 million in fiscal 2011 as compared to fiscal 2010. Cash flows from operations were favorably impacted by improved cash management, including a reduction in the average time to collect receivables, and a $69 million increase in income from continuing operations. Cash flows from operations were partially offset by an increase in cash paid for income taxes for continuing operations ($62 million) and the funding of performance bonds on our contract with the Greek government ($23 million).

Cash flows from operations increased $37 million in fiscal 2010 as compared to fiscal 2009. Cash flows from operations were favorably impacted by $58 million related to an inventory reduction in fiscal 2010 as compared to inventory growth on certain logistics and product support programs during fiscal 2009, an additional payroll cycle in fiscal 2009 and a $53 million increase in income from continuing operations. Cash flows from operations were negatively impacted by a decrease in the relative amount of payables outstanding and accrued liabilities during fiscal 2010 as compared to fiscal 2009 as a result of a

$68 million decline in customer advance payments. Other significant drivers of cash flows from operations included an increase in accounts receivable related to growth in our operations while the average time to collect receivables increased slightly from fiscal 2009 to 2010 after it had declined significantly during the prior year.

Cash Used in Investing Activities. We used $446 million of cash in support of investing activities in fiscal 2011, including $382 million (net of cash acquired) to acquire three businesses and $74 million to purchase property, plant and equipment. We used $306 million of cash in support of investing activities in fiscal 2010, including $256 million (net of cash acquired) to acquire six businesses and $58 million to purchase property, plant and equipment. We used $249 million of cash in support of investing activities in fiscal 2009, including $201 million (net of cash acquired) to acquire two businesses and $59 million to purchase property, plant and equipment.

Cash Provided by (Used in) Financing Activities. We generated $187 million of cash from financing activities in fiscal 2011, including $742 million of net proceeds from the issuance of debt, $38 million in proceeds from the sale of stock under our employee stock purchase plan (ESPP) and exercises of stock options and $11 million in excess tax benefits associated with stock-based compensation partially offset by $601 million to repurchase shares of our stock. We used $398 million of cash in support of financing activities in fiscal 2010, including $474 million to repurchase shares of our stock and $18 million for payments on notes payable and long-term debt partially offset by $58 million in proceeds from the sale of stock under our ESPP and exercises of stock options and $36 million in excess tax benefits associated with stock-based compensation. We used $427 million of cash in support of financing activities in fiscal 2009, including $445 million to repurchase shares of our stock and $113 million for payments on notes payable and long-term debt partially offset by $76 million in proceeds from the sale of stock under our ESPP and exercises of stock options and $56 million in excess tax benefits associated with stock-based compensation. Repurchases of stock for each of the last three fiscal years were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Under publicly announced repurchase plans	**$ 565**	$ 434	$ 382
Other stock repurchases	**36**	40	63
Total	**$ 601**	$ 474	$ 445

Stock Repurchase Program

In December 2006, our board of directors authorized a stock repurchase program (the 2006 Repurchase Program) under which we could repurchase shares of our common stock as part of our overall strategy for capital allocation. We repurchased an aggregate of 82 million shares under the 2006 Repurchase Program. In December 2010, our board of directors terminated the 2006 Repurchase Program and authorized a new stock repurchase program (the 2010 Repurchase Program) under which we may repurchase up to 40 million shares of our common stock. Stock repurchases may be made on the open market or in privately negotiated transactions with third parties. Whether repurchases are made and the timing and actual number of shares repurchased depends on a variety of factors including price, corporate capital requirements, other market conditions and regulatory requirements. As of January 31, 2011, there were 30 million shares remaining authorized for repurchase under this program.

Underfunded Pension Obligation

We sponsor a defined benefit pension plan in the United Kingdom for plan participants that primarily performed services on a specific customer contract, which expired in March 2010. As of January 31, 2011, the pension plan had an underfunded projected benefit obligation of $20 million and an unrecognized actuarial loss (pre-tax) of $34 million. In April 2010, plan participants who were then performing services on the contract transferred to a successor contractor. We expect to recognize charges (pre-tax) of approximately $10 million to $20 million from recognition of losses related to the underfunded pension obligations associated with certain plan participants whose pension plan assets and obligations are expected to transfer to a successor contractor and from related costs. The timing and definitive amount of the charges we will incur depends on the number of plan participants who elect to transfer their pension benefits to a successor contractor, the amount of assets and obligations to be transferred, the performance of the pension plan assets and the timing of the transfer of the pension plan assets and obligations. We will have continuing defined benefit pension obligations with respect to certain plan participants. However, as of March 2011, benefits are no longer accruing under the plan.

Outstanding Indebtedness

Notes Payable and Long-term Debt. Our outstanding notes payable and long-term debt consisted of the following:

	January 31	
	2011	2010
	(in millions)	
$550 million 6.25% notes issued in fiscal 2003, due in July 2012	**$ 550**	$ 549
$450 million 4.45% notes issued in fiscal 2011, due in December 2020	**448**	—
$250 million 7.125% notes issued in fiscal 2003, due in July 2032	**248**	248
$300 million 5.50% notes issued in fiscal 2004, due in July 2033	**296**	296
$300 million 5.95% notes issued in fiscal 2011, due in December 2040	**300**	—
Capital leases and other notes payable	**10**	13
	1,852	1,106
Less current portion	**3**	3
Total	**$ 1,849**	$ 1,103

These notes contain financial covenants and customary restrictive covenants, including, among other things, restrictions on our ability to create liens and enter into sale and leaseback transactions. We were in compliance with all covenants as of January 31, 2011. Our other notes payable have interest rates ranging up to 3.1% and are due on various dates through fiscal 2017. For additional information on our notes payable and long-term debt, see Note 7 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Credit Facility. We have an unused revolving credit facility providing for $750 million in unsecured borrowing capacity at interest rates determined, at our option, based on either LIBOR plus a margin or a defined base rate through fiscal 2013. The facility contained financial covenants and customary restrictive covenants. As of January 31, 2011, we were in compliance with all covenants under the credit facility. Subsequent to January 31, 2011, we amended and restated our credit facility agreement. The amended and restated agreement provides a $750 million credit facility on similar terms and expires in fiscal 2016. For additional information on our credit facility, see Note 6 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We have outstanding performance guarantees and cross-indemnity agreements in connection with certain of our unconsolidated joint venture investments. We also have letters of credit outstanding principally related to guarantees on contracts with foreign government customers and surety bonds outstanding principally related to performance and payment bonds as described in Note 19 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K. These arrangements have not had, and management does not believe it is likely that they will in the future have, a material effect on our liquidity, capital resources, operations or financial condition.

Contractual Obligations

The following table summarizes, as of January 31, 2011, our obligations to make future payments pursuant to certain contracts or arrangements and provides an estimate of the fiscal years in which these obligations are expected to be satisfied:

	Payments Due by Fiscal Year				
	Total	2012	2013-2014	2015-2016	2017 and Thereafter
	(in millions)				
Contractual obligations:					
Long-term debt (including current portion) [1]	$ 3,393	$ 105	$ 712	$ 146	$ 2,430
Operating lease obligations [2]	654	139	206	137	172
Capital lease obligations	7	3	3	1	—
Estimated purchase obligations [3]	149	115	29	3	2
Other long-term liabilities [4]	135	66	50	13	6
Total contractual obligations	$ 4,338	$ 428	$ 1,000	$ 300	$ 2,610

(1) Includes total interest payments on our outstanding debt of $105 million in fiscal 2012, $161 million in fiscal 2013-2014, $145 million in fiscal 2015-2016 and $1,129 million in fiscal 2017 and thereafter.

(2) Excludes $46 million related to an operating lease on a contract with the Greek government as we are not obligated to make the lease payments to the lessee if our customer defaults on payments to us.

(3) Includes estimated obligations to transfer funds under legally enforceable agreements for fixed or minimum amounts or quantities of goods or services at fixed or minimum prices. Excludes purchase orders for services or products to be delivered pursuant to U.S. Government contracts in which we have full recourse under normal contract termination clauses.

(4) Other long-term liabilities were allocated by fiscal year as follows: a liability for our foreign defined benefit pension plan is based upon the expected near-term contributions to the plan (for a discussion of potential changes in these pension obligations, see Note 9 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K); liabilities under deferred compensation arrangements are based upon the average annual payments in prior years upon termination of employment by participants; liabilities for uncertain tax positions are based upon the fiscal year that the statute of limitations is currently expected to expire, a liability to reimburse a customer for cash advances on a contract that is periodically renewed is based upon the fiscal year that the most recent contract renewal is ending; and other liabilities are based on the fiscal year that the liabilities are expected to be realized.

Commitments and Contingencies

We are subject to a number of reviews, investigations, claims, lawsuits and other uncertainties related to our business. For a discussion of these items, see Notes 18 and 19 of the notes to the consolidated financial statements contained within this Annual Report on Form 10-K.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Management evaluates these estimates and assumptions on an ongoing basis. Our estimates and assumptions have been prepared on the basis of the most current reasonably available information. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions and conditions.

We have several critical accounting policies that are both important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments. Typically, the circumstances that make these judgments complex and difficult have to do with making estimates about the effect of matters that are inherently uncertain. Our critical accounting policies are described below.

Accounting Change. Effective February 1, 2010, we changed our method of revenue recognition for cost-plus-fixed-fee, time-and-materials and fixed-price-level-of-effort contracts with the U.S. Government to the methods described below. Contract costs will continue to be expensed as incurred under these contracts.

Cost-plus-fixed-fee contracts—Revenue is recognized on the basis of partial performance as costs are incurred together with an estimate of applicable fees as we become contractually entitled to reimbursement of costs and the applicable fees pursuant to the guidance in Accounting Standards Codification (ASC) 912-605-25 Contractors-Federal Government—Recognition of Fees Under Cost-Plus-Fixed-Fee Contracts.

Time-and-materials contracts—Revenue is recognized using the percentage-of-completion method of accounting utilizing an output measure to measure progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material and subcontract costs and out-of-pocket expenses.

Fixed-price-level-of-effort contracts—These contracts are substantially similar to time-and-materials contracts except they require a specified level of effort over a stated period of time. Accordingly, we recognize revenue in a manner similar to time-and-materials contracts whereby we utilize the percentage-of-completion method of accounting utilizing an output measure. We measure progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material costs and out-of-pocket expenses.

The revenue recognition change impacts contracts accounting for approximately two-thirds of our revenues. We believe the change is to an alternative accounting principle that is preferable because we believe it better reflects the economic substance and earnings process under these arrangements. This change was facilitated by the implementation of a new information technology system.

Although this change impacts contracts accounting for approximately two-thirds of our revenues, the result of the accounting change was immaterial to our consolidated financial position and results of operations for all periods presented because the resulting measurement of the progress toward completion under the two methods is not significantly different. Accordingly, the cumulative effect of the accounting change was recognized in the consolidated statement of income in the first quarter of fiscal 2011, rather than retrospectively applied to the prior period consolidated financial statements.

Revenue Recognition. We generate our revenues from various types of contracts, which include firm-fixed-price, time-and-materials, fixed-price-level-of-effort, cost-plus-fixed-fee, cost-plus-award-fee and cost-plus-incentive-fee contracts.

Cost-plus-fixed-fee contracts—Revenue is recognized on cost-plus-fixed-fee contracts with the U.S. Government on the basis of partial performance equal to costs incurred plus an estimate of applicable fees earned as we become contractually entitled to reimbursement of costs and the applicable fees.

Time-and-materials contracts—Revenue is recognized on time-and-materials contracts with the U.S. Government using the percentage-of-completion method of accounting utilizing an output measure of progress. Revenue is recognized on time-and-materials contracts with non-U.S. Government customers using a proportional performance method. Under both of these methods, revenue is recognized based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material and subcontract costs and out-of-pocket expenses.

Fixed-price-level-of-effort contracts (FP-LOE)—These contracts are substantially similar to time-and-materials contracts except they require a specified level of effort over a stated period of time. Accordingly, we recognize revenue on FP-LOE contracts with the U.S. Government in a manner similar to time-and-materials contracts whereby we measure progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material costs and out-of-pocket expenses.

Cost-plus-award-fee/cost-plus-incentive fee contracts—Revenues and fees on these contracts with the U.S. Government are primarily recognized using the percentage-of-completion method of accounting, most often based on the cost-to-cost method. We include an estimate of the ultimate incentive or award fee to be received on the contract in the estimate of contract revenues for purposes of applying the percentage-of-completion method of accounting.

Firm-fixed-price contracts—Revenues and fees on these contracts that are system integration or engineering in nature are primarily recognized using the percentage-of-completion method of accounting utilizing the cost-to-cost method.

Revenues from services and maintenance contracts, notwithstanding the type of contract, are recognized over the term of the respective contracts as the services are performed and revenue is earned. Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Revenues from the sale of manufactured products are recorded upon passage of title and risk of loss to the customer, which is generally upon delivery, provided that all other requirements for revenue recognition have been met.

We also use the efforts-expended method of percentage-of-completion using measures such as labor dollars for measuring progress toward completion in situations in which this approach is more representative of the progress on the contract. For example, the efforts-expended method is utilized when there are significant amounts of materials or hardware procured for the contract that is not representative of progress on the contract. Additionally, we utilize the units-of-delivery method under percentage-of-completion on contracts where separate units of output are produced. Under the units-of-delivery method, revenue is generally recognized when the units are delivered to the customer, provided that all other requirements for revenue recognition have been met.

We also evaluate contracts for multiple elements, and when appropriate, separate the contracts into separate units of accounting for revenue recognition.

We provide for anticipated losses on all types of contracts by recording an expense during the period in which the losses are determined. Amounts billed and collected but not yet recognized as revenues under certain types of contracts are deferred. Contract costs incurred for U.S. Government contracts, including indirect costs, are subject to audit and adjustment through negotiations with government representatives. Revenues on U.S. Government contracts have been recorded in amounts that are expected to be realized upon final settlement.

Our accounts receivable include unbilled receivables, which consist of costs and fees billable upon contract completion or the occurrence of a specified event, the majority of which is expected to be billed and collected within one year. Unbilled receivables are stated at estimated realizable value. Contract retentions are billed when we have negotiated final indirect rates with the U.S. Government and, once billed, are subject to audit and approval by government representatives. Consequently, the timing of collection of retention balances is outside our control. Based on our historical experience, the majority of retention balances are expected to be collected beyond one year.

Contract claims are unanticipated additional costs incurred but not provided for in the executed contract price that we seek to recover from the customer. Such costs are expensed as incurred. Additional revenue related to contract claims is recognized when the amounts are awarded by the customer.

In certain situations, primarily where we are not the primary obligor on certain elements of a contract such as the provision of administrative oversight and/or management of government-owned facilities or logistical support services related to other vendors' products, we recognize as revenues the net management fee associated with the services and exclude from our income statement the gross sales and costs associated with the facility or other vendors' products.

Business Combinations and Goodwill and Intangible Assets Impairment. We have engaged and expect to continue to engage in business acquisition activity. The accounting for business combinations requires management to make judgments and estimates of the fair value of assets acquired, including the identification and valuation of intangible assets, as well as the liabilities and contingencies assumed. Such judgments and estimates directly impact the amount of goodwill recognized in connection with each acquisition.

Goodwill is assessed for impairment at least annually and whenever events or circumstances indicate that the carrying value may not be recoverable. We perform our annual goodwill impairment assessment as of the beginning of the fourth quarter. The goodwill impairment test is a two-step process performed at the reporting unit level. The first step consists of estimating the fair values of each of the reporting units based on a combination of two valuation methods, a market approach and an income approach. Fair value computed using these two methods is determined using a number of factors, including projected future operating results and business plans, economic projections, anticipated future cash flows, comparable market data with a consistent industry grouping, and the cost of capital. The estimated fair values are compared with the carrying values of the reporting units, which include the allocated goodwill. If the fair value is less than the carrying value of a reporting unit, which includes the allocated goodwill, a second step is performed to compute the amount of the impairment by determining an implied fair value of goodwill. The implied fair value of goodwill is the residual fair value derived by deducting the fair value of a reporting unit's identifiable assets and liabilities from its estimated fair value calculated in the first step. The impairment expense represents the excess of the carrying amount of the reporting unit's goodwill over the implied fair value of the reporting unit's goodwill. The goodwill impairment test process requires management to make significant judgments and assumptions, including revenue, profit and cash flow forecasts, about the business units to which goodwill is assigned. Misjudgments in this forecasting process could result in management not taking an impairment charge when one may be required. Our goodwill impairment tests performed for fiscal 2011, 2010, and 2009 did not result in any impairment of goodwill. The carrying value of goodwill as of January 31, 2011 was $1.678 billion.

Intangible assets with finite lives are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In fiscal 2010, we recognized impairment losses of $6 million for intangible assets. We did not recognize any impairment losses on intangible assets in fiscal 2011 and 2009. The carrying value of intangible assets as of January 31, 2011 was $211 million.

Income Taxes. We account for income taxes under the asset and liability method of accounting, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Under this method, changes in tax rates and laws are recognized in income in the period such changes are enacted. The provision for federal, state, foreign and local income taxes is calculated on income before income taxes based on current tax law and includes the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Such provision differs from the amounts currently payable because certain items of income and expense are recognized in different reporting periods for financial reporting purposes than for income tax purposes. Recording our provision for income taxes requires management to make significant judgments and estimates for matters whose ultimate resolution may not become known until the final resolution of an examination by the IRS or state agencies. Additionally, recording liabilities for uncertain tax positions involves significant judgment in evaluating our tax positions and developing our best estimate of the taxes ultimately expected to be paid.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations. In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount or would no longer be able to realize our deferred income tax assets in the future as currently recorded, we would make an adjustment to the valuation allowance which would decrease or increase the provision for income taxes.

We have also recognized liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We have experienced years when liabilities for uncertain tax positions were settled for amounts different from recorded amounts as described in Note 12 of the notes to the consolidated financial statements contained within this Annual Report on Form 10-K.

Stock-Based Compensation. We account for stock-based compensation in accordance with the accounting standard for stock compensation. Under the fair value recognition provisions of this standard, share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is generally the vesting period. The estimation of stock option fair value requires management to make complex estimates and judgments about, among other things, employee exercise behavior, forfeiture rates, and the volatility of our common stock. These judgments directly affect the amount of compensation expense that will ultimately be recognized. The expected term for all awards granted is derived from our historical experience except for awards granted to our outside directors, for which the expected term of awards granted is derived utilizing the "simplified" method presented in SEC Staff Accounting Bulletin Nos. 107 and 110, "Share-Based Payment". Expected volatility is based on an average of the historical volatility of our stock and the implied volatility from traded options on our stock. We assumed weighted average volatilities of 25.1%, 30.6% and 26.2% for fiscal 2011, 2010 and 2009, respectively. All other assumptions held constant, a ten percentage point change in our fiscal 2011 volatility assumption would have increased or decreased the grant-date fair value of our fiscal 2011 option awards by approximately 30%.

Non-GAAP Financial Measures

In this Annual Report on Form 10-K, we refer to internal revenue growth percentage, which is a non-GAAP financial measure that we reconcile to the most directly comparable GAAP financial measure. We calculate our internal revenue growth percentage by comparing our reported revenue for the current year to the revenue for the prior year adjusted to include the actual revenue of acquired businesses for the comparable prior year before acquisition. This calculation has the effect of adding revenue for the acquired businesses for the comparable prior year to our prior year reported revenue.

We use internal revenue growth percentage as an indicator of how successful we are at growing our base business and how successful we are at growing the revenues of the businesses that we acquire. Our integration of acquired businesses allows our current management to leverage business development capabilities, drive internal resource collaboration, utilize access to markets and qualifications, and refine strategies to realize synergies, which benefits both acquired and existing businesses. As a result, the performance of the combined enterprise post-acquisition is an important measurement. In addition, as a means of rewarding the successful integration and growth of acquired businesses, and not acquisitions themselves, incentive compensation for our executives and the broader employee population is based, in part, on achievement of revenue targets linked to internal revenue growth.

The limitation of this non-GAAP financial measure as compared to the most directly comparable GAAP financial measure is that internal revenue growth percentage is one of two components of the total revenue growth percentage, which is the most directly comparable GAAP financial measure. We address this limitation by presenting the total revenue growth percentage next to or near disclosures of internal revenue growth percentage. This financial measure is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. The method that we use to calculate internal revenue growth percentage is not necessarily comparable to similarly titled financial measures presented by other companies.

Internal revenue growth percentages for fiscal 2011 and 2010 were calculated as follows:

	Year Ended January 31	
	2011	2010
	(dollars in millions)	
Government segment:		
Prior fiscal year's revenues, as reported	$ 10,390	$ 9,582
Revenues of acquired businesses for the comparable prior year period	222	194
Prior fiscal year's revenues, as adjusted	$ 10,612	$ 9,776
Current fiscal year's revenues, as reported	10,743	10,390
Internal revenue growth	$ 131	$ 614
Internal revenue growth percentage	1%	6%
Commercial segment:		
Prior fiscal year's revenues, as reported	$ 462	$ 491
Revenues of acquired businesses for the comparable prior year period	—	6
Prior fiscal year's revenues, as adjusted	$ 462	$ 497
Current fiscal year's revenues, as reported	381	462
Internal revenue growth	$ (81)	$ (35)
Internal revenue growth percentage	(18)%	(7)%
Total:		
Prior fiscal year's revenues, as reported	$ 10,846	$ 10,070
Revenues of acquired businesses for the comparable prior year period	222	200
Prior fiscal year's revenues, as adjusted	$ 11,068	$ 10,270
Current fiscal year's revenues, as reported	11,117	10,846
Internal revenue growth	$ 49	$ 576
Internal revenue growth percentage	—%	6%

Recently Adopted and Issued Accounting Pronouncements

For additional information regarding recently adopted and issued accounting pronouncements, see Note 1 of the notes to consolidated financial statements contained within this Annual Report on Form 10-K.

Effects of Inflation

Approximately 50% of our revenues are derived from cost-reimbursement type contracts, which are generally completed within one year. Bids for longer-term FFP and T&M and FP-LOE contracts typically include sufficient provisions for labor and other cost escalations to cover anticipated cost increases over the period of performance. Consequently, revenues and costs have generally both increased commensurate with inflation. As a result, net income as a percentage of total revenues has not been significantly impacted by inflation.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to certain market risks in the normal course of business. Our current market risk exposures are primarily related to interest rates and foreign currency fluctuations. The following information about our market sensitive financial instruments contains forward-looking statements.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our cash equivalents and long-term debt obligations. We have established an investment policy to protect the safety, liquidity and after-tax yield of invested funds. This policy establishes guidelines regarding acceptability of instruments and maximum maturity dates and requires diversification in the investment portfolios by establishing maximum amounts that may be invested in designated instruments and issuers. We do not authorize the use of derivative instruments in our managed short-term investment portfolios. Our policy authorizes, with board of directors approval, the limited use of derivative instruments only to hedge specific interest rate risks.

The table below provides information about our financial instruments at January 31, 2011 that are sensitive to changes in interest rates. For debt obligations and short-term investments, the table presents principal cash flows in U.S. dollars and related weighted average interest rates by expected maturity dates.

	2012	2013	2014	2015	2016	Thereafter	Total	Estimated Fair Value as of January 31, 2011
						(dollars in millions)		
Assets:								
Cash and cash equivalents [(1)]	$ 1,367	$ —	$ —	$ —	$ —	$ —	$ 1,367	$ 1,367
Average interest rate	.3%	—	—	—	—	—		
Liabilities:								
Short-term and long-term debt:								
Variable interest rate	$ —	$ 1	$ —	$ —	$ 1	$ 1	$ 3	$ 3
Weighted average interest rate	—	3.1%	—	—	3.1%	3.1%		
Fixed rate	$ 3	$ 552	$ 1	$ 1	$ —	$ 1,300	$ 1,857	$ 1,927
Weighted average interest rate	5.2%	6.2%	4.7%	4.4%	—	5.6%		

(1) Includes $27 million denominated in British pounds, $7 million denominated in Euros, $3 million denominated in Canadian dollars, $1 million denominated in Indian rupees, $1 million denominated in Australian dollars and $1 million denominated in Korean Won.

At January 31, 2011 and 2010, our cash and cash equivalents included investments in several large institutional money market funds that invest primarily in bills, notes and bonds issued by the U.S. Treasury, U.S. Government guaranteed repurchase agreements fully collateralized by U.S. Treasury obligations, U.S. Government guaranteed securities, and investment-grade corporate securities, that had original maturities of three months or less. A 10% unfavorable interest rate movement would not materially impact the value of the holdings and would have a negligible impact on interest income at current market interest rates.

Foreign Currency Risk. Although the majority of our transactions are denominated in U.S. dollars, some transactions are denominated in foreign currencies, principally British pounds, Euros, Canadian dollars and Indian rupees. Our foreign currency exchange rate risk relates to receipts from customers, payments to suppliers and certain intercompany transactions denominated in currencies other than our (or one of our subsidiaries') functional currency. We may enter into foreign currency forward contracts from time to time to fix, or limit the adverse impact on, the amount of firmly committed and forecasted non-functional payments, receipts and intercompany transactions related to our ongoing business and operational financing activities. These contracts are designed to minimize our risk when we enter into transactions outside our functional currency. We do not use derivative instruments for trading or speculative purposes. As of January 31, 2011 and 2010, we had outstanding foreign currency forward contracts with a notional amount of $3 million and $9 million, respectively, with an immaterial fair value.

Item 8. *Financial Statements and Supplementary Data*

See our consolidated financial statements attached hereto and listed on the Index to Consolidated Financial Statements set forth on page F-1 of this Annual Report on Form 10-K.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer (our Chief Executive Officer) and principal financial officer (our Executive Vice President and Chief Financial Officer), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934) as of January 31, 2011, and our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities Exchange Commission. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes In Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred in the fourth quarter of the period covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our internal control over financial reporting as of January 31, 2011 based on the framework established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management has assessed in its evaluation the effectiveness of our internal control over financial reporting as of January 31, 2011 and has concluded that our internal control over financial reporting as of that date was effective.

Deloitte & Touche LLP, an independent registered public accounting firm, audited our consolidated financial statements included in this Annual Report on Form 10-K and our internal control over financial reporting, and that firm's report on our internal control over financial reporting is set forth below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
SAIC, Inc.
McLean, Virginia

We have audited the internal control over financial reporting of SAIC, Inc. and subsidiaries (the "Company") as of January 31, 2011, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2011, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended January 31, 2011, of the Company and our report dated March 25, 2011, expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
March 25, 2011

Item 9B. *Other Information*

None.

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PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

For certain information required by Item 10 with respect to our executive officers, see "Executive and Other Key Officers of the Registrant" at the end of Part I of this Annual Report on Form 10-K. For additional information required by Item 10 with respect to our executive officers and directors, including our audit committee and audit committee financial experts, procedures by which stockholders may recommend nominees to our board of directors, and compliance with Section 16(a) of the Securities Exchange Act of 1934, see the information set forth under the captions "Proposal 1–Election of Directors," "Corporate Governance" and "Other Information" appearing in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

We have adopted a code of business ethics that applies to our principal executive officer and our senior financial officers. A copy of our Code of Ethics for Principal Executive Officer and Senior Financial Officers is available on our website free of charge at *www.saic.com* by clicking on the links entitled "Corporate Governance" and then on "Code of Conduct." We intend to post on our website any material changes to or waivers from our code of business ethics. The information on our website is not incorporated by reference into and is not a part of this Annual Report on Form 10-K.

Item 11. *Executive Compensation*

For information required by Item 11 with respect to executive compensation, see the information set forth under the captions "Compensation Discussion and Analysis," "Executive Compensation" and "Corporate Governance" in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

For information required by Item 11 with respect to compensation committee interlocks and insider participation, see the information set forth under the caption "Corporate Governance" in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

For information required by Item 12 with respect to the security ownership of certain beneficial owners and management, see the information set forth under the caption "Other Information" in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

Information with respect to our equity compensation plans as of January 31, 2011 is set forth below:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by security holders (1)	25,956,447(2)	$ 17.31(3)	149,066,837(4)
Equity compensation plans not approved by security holders (5)	—	—	—(5)
Total	25,956,447	$ 17.31(3)	149,066,837

(1) The following equity compensation plans approved by security holders are included in this plan category: the 2006 Equity Incentive Plan and the 2006 Employee Stock Purchase Plan.

(2) Represents 990,039 shares of our stock reserved for future issuance for the expected number of shares of stock to be issued for performance-based stock awards under the 2006 Equity Incentive Plan and 24,966,408 shares of our stock reserved for future issuance upon the exercise of outstanding options awarded under the 2006 Equity Incentive Plan. Does not include shares to be issued pursuant to purchase rights under the 2006 Employee Stock Purchase Plan.

(3) Does not include shares to be issued for performance-based stock awards which will not require any payment upon issuance of those shares.

(4) Represents 27,988,064 shares of our stock under the 2006 Employee Stock Purchase Plan and 121,078,773 shares of our stock under the 2006 Equity Incentive Plan. The maximum number of shares initially available for issuance under the 2006 Employee Stock Purchase Plan was 9 million. The 2006 Employee Stock Purchase Plan provides for an automatic increase to the share reserve on the first day of each fiscal year beginning on February 1, 2007 in an amount equal to the lesser of (i) 9 million shares, (ii) two percent of the number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year or (iii) a number determined by the compensation committee of the board of directors. The maximum number of shares initially available for issuance under the 2006 Equity Incentive Plan was 75 million. The 2006 Equity Incentive

Plan provides for an automatic increase to the share reserve on the first day of each fiscal year beginning on February 1, 2007 in an amount equal to the lesser of (i) 30 million shares, (ii) five percent of the number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year or (iii) a number determined by the board of directors or compensation committee. Those shares (i) that are issued under the 2006 Equity Incentive Plan that are forfeited or repurchased by the Company at the original purchase price or less or that are issuable upon exercise of awards granted under the plan that expire or become unexercisable for any reason after their grant date without having been exercised in full, (ii) that are withheld from an option or stock award pursuant to a Company-approved net exercise provision, (iii) that are retained upon exercise of a stock appreciation right or (iv) that are not delivered to or are award shares surrendered by a holder in consideration for applicable tax withholding will continue to be available for issuance under the plan.

(5) The Stock Compensation Plan and the Management Stock Compensation Plan have not been approved by security holders and are included in this plan category. These plans do not provide for a maximum number of shares available for future issuance.

Some of the principal features of the Stock Compensation Plan and the Management Stock Compensation Plan, together referred to as the Stock Compensation Plans, are summarized below, which summary is qualified in its entirety by the full text of the Stock Compensation Plans. Stockholder approval of the Stock Compensation Plans was not required.

Summary of the Stock Compensation Plans

The Stock Compensation Plans have been adopted to provide a long-term incentive to key employees by making deferred awards of shares of our stock. All officers and employees are eligible to receive awards under the Stock Compensation Plan. However, only a select group of management and highly compensated senior employees are eligible to receive awards under the Management Stock Compensation Plan. We intend to limit participants of the Management Stock Compensation Plan to individuals that would permit the plan to be treated as a "top hat" plan under applicable Internal Revenue Service and Department of Labor Regulations.

The awarding authority (as appointed by our board of directors) designates those key employees receiving awards and the number of share units to be awarded. The number of share units awarded represents an interest in a trust maintained by Wachovia Bank, N.A. as trustee under a trust agreement between the trustee and us. The trust is a special type of trust known as a rabbi trust. In order to avoid current taxation of awards under the Stock Compensation Plans, the trust must permit our creditors to reach the assets of the trust in the event of our bankruptcy or insolvency. Each share unit generally corresponds to one share of stock, but the employee receiving an award of share units will not have a direct ownership interest in the shares of stock represented by the share units.

The awarding authority will establish a vesting schedule of not more than seven years for each account in the trust. Awards granted prior to January 1, 2006 will generally vest at the rate of one-third at the end of each of the fifth, sixth and seventh year following the date of award. The death of a participant or a change in control of us will result in full vesting of an award. A participant will forfeit any unvested portions of the account if the participant's employment terminates for any reason other than death. We receive the benefit of forfeited amounts either by return of shares to us or use of the forfeitures to satisfy future awards under the Stock Compensation Plans.

Awards issued on or after January 1, 2006 will generally vest 100% at the end of the fourth year following the date of award. Participants of the Stock Compensation Plan receive a lump sum distribution of their awards in shares of stock once they become vested while participants of the Management Stock Compensation Plan receive a distribution of their awards in shares of stock following termination or retirement. Participants will be taxed on the value of any amounts distributed from the Stock Compensation Plans at the time of the distribution.

The day-to-day administration of the Stock Compensation Plans is provided by the nonqualified plans committee appointed by our board of directors. We have the right to amend or terminate the Stock Compensation Plans at any time and for any reason.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

For information required by Item 13 with respect to certain relationships and related transactions and the independence of our directors and nominees, see the information set forth under the caption "Corporate Governance" in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

Item 14. *Principal Accounting Fees and Services*

For information required by Item 14 with respect to principal accounting fees and services, see the information set forth under the caption "Audit Matters" in the 2011 Proxy Statement, which information is incorporated by reference into this Annual Report on Form 10-K.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

(a) Documents filed as part of the report:

1. *Financial Statements*

Our consolidated financial statements are attached hereto and listed on the Index to Consolidated Financial Statements set forth on page F-1 of this Annual Report on Form 10-K.

2. *Financial Statement Schedules*

Financial statement schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or the notes thereto.

3. *Exhibits*

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger, as amended and restated as of July 24, 2006, by and among Science Applications International Corporation, Registrant and SAIC Merger Sub, Inc. Incorporated by reference to Exhibit 2.1 to Registrant's Post-Effective Amendment No. 3 to Form S-4 Registration Statement No. 333-128022, filed on July 25, 2006 with the SEC.
3.1	Restated Certificate of Incorporation of Registrant. Incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K as filed on November 17, 2009 with the SEC.
3.2	Restated Bylaws of Registrant. Incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K as filed on September 24, 2009 with the SEC.
4.1	Indenture dated June 28, 2002 between Science Applications International Corporation and JPMorgan Chase Bank, as trustee. Incorporated by reference to Exhibit 4.2 to Science Applications International Corporation's Current Report on Form 8-K as filed on July 3, 2002 with the SEC. (SEC File No: 0-12771.)
4.2	First Supplemental Indenture, dated October 13, 2006, by and among Science Applications International Corporation, Registrant and The Bank of New York Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, N.A. Incorporated by reference to Exhibit 4.2 to Registrant's Current Report on Form 8-K as filed on October 17, 2006 with the SEC.
4.3	Indenture dated as of December 20, 2010, among Registrant, Science Applications International Corporation and The Bank of New York Mellon Trust Company, N.A. as Trustee. Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K as filed on December 22, 2010 with the SEC.
4.4	Registration Rights Agreement, dated as of December 20, 2010, among Registrant, Science Applications International Corporation and the initial purchasers named therein. Incorporated by reference to Exhibit 4.2 to Registrant's Current Report on Form 8-K as filed on December 22, 2010 with the SEC.
10.1	Assignment and Assumption Agreement, dated October 16, 2006, between Registrant and Science Applications International Corporation. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K as filed on October 17, 2006 with the SEC.
10.2	Guaranty of Registrant, dated October 13, 2006, in favor of Citicorp USA, Inc, in its capacity as administrative agent, and other lenders. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K as filed on October 17, 2006 with the SEC.
10.3*	Registrant's 2006 Equity Incentive Plan (as amended May 30, 2008). Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2008 as filed on June 4, 2008 with the SEC.
10.4*	Science Applications International Corporation's Stock Compensation Plan, as amended and restated effective January 1, 2005, as further amended. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.5*	Science Applications International Corporation's Management Stock Compensation Plan, as amended and restated effective January 1, 2005, as further amended. Incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.6*	Science Applications International Corporation's Keystaff Deferral Plan, as amended and restated effective January 1, 2005, as further amended. Incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.

PART IV

Exhibit Number	Description of Exhibit
10.7*	Science Applications International Corporation's Key Executive Stock Deferral Plan, as amended and restated effective January 1, 2005, as further amended. Incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.8*	Registrant's 2006 Employee Stock Purchase Plan, as amended and restated effective July 1, 2010. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2010 as filed on September 3, 2010 with the SEC.
10.9*	Science Applications International Corporation's 401(k) Excess Deferral Plan effective as of January 1, 2011.
10.10*	Form of Stock Award Agreement of Registrant's 2006 Equity Incentive Plan. Incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.11*	Form of Nonstatutory Stock Option Agreement of Registrant's 2006 Equity Incentive Plan. Incorporated by reference to Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.12*	Form of Nonstatutory Stock Option Agreement of Registrant's 2006 Equity Incentive Plan (covering options granted after February 18, 2011).
10.13*	Form of Stock Award Agreement (Non-Employee Directors) of Registrant's 2006 Equity Incentive Plan. Incorporated by reference to Exhibit 10.7 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.14*	Form of Nonstatutory Stock Option Agreement (Non-Employee Directors) of Registrant's 2006 Equity Incentive Plan. Incorporated by reference to Exhibit 10.8 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.15*	Form of Nonstatutory Stock Option Agreement (Non-Employee Directors) of Registrant's 2006 Equity Incentive Plan (covering options granted after February 18, 2011).
10.16*	Form of Performance Share Award Agreement of Registrant's 2006 Equity Incentive Plan. Incorporated by reference to Exhibit 10.9 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2009 as filed on December 9, 2009 with the SEC.
10.17*	Form of Recoupment Policy and Non-Solicitation Acknowledgment and Agreement. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2010 as filed on June 4, 2010 with the SEC.
10.18*	Science Applications International Corporation's 1999 Stock Incentive Plan, as amended through August 15, 1999. Incorporated by reference to Exhibit 10(e) to Science Applications International Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2000 as filed on April 27, 2000 with the SEC. (SEC File No: 0-12771.)
10.19*	Science Applications International Corporation's Bonus Compensation Plan, as restated effective July 9, 1999. Incorporated by reference to Annex III to Science Applications International Corporation's Proxy Statement for the 1999 Annual Meeting of Stockholders as filed on April 29, 1999 with the SEC. (SEC File No: 0-12771.)
10.20	Five Year Credit Agreement, dated June 6, 2006, by and among Science Applications International Corporation, Citicorp USA, Inc., as administrative agent, Wachovia Bank, National Association, as syndication agent, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to Science Applications International Corporation's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2006 as filed on June 9, 2006 with the SEC.
10.21	Letter Amendment, dated effective August 23, 2006, to Five Year Credit Agreement, dated June 6, 2006, by and among Science Applications International Corporation, Citicorp USA, Inc., as administrative agent, Wachovia Bank, National Association, as syndication agent, and other lenders party thereto. Incorporated by reference to Exhibit 10.1 to Science Applications International Corporation's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2006 as filed on September 5, 2006 with the SEC.
10.22	Letter Amendment No. 2, dated effective July 31, 2007, to Five Year Credit Agreement, dated June 6, 2006, by and among Science Applications International Corporation, Citicorp USA, Inc., as administrative agent, Wachovia Bank, National Association, as syndication agent, and other lenders party thereto. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K as filed on August 1, 2007 with the SEC.

PART IV

Exhibit Number	Description of Exhibit
10.23*	Form of Indemnification Agreement. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2007 as filed on June 7, 2007 with the SEC.
10.24*	Form of Severance Protection Agreement. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2008 as filed on September 4, 2008 with the SEC.
10.25*	Employment Letter Agreement between Science Applications International Corporation and Mark Sopp, dated as of November 17, 2005. Incorporated by reference to Exhibit 10.1 to Science Applications International Corporation's Current Report on Form 8-K as filed on November 28, 2005 with the SEC. (SEC File No: 0-12771.)
10.26*	Stock Offer Letter dated November 14, 2005 to Mark Sopp from Science Applications International Corporation. Incorporated by reference to Exhibit 10.2 to Science Applications International Corporation's Current Report on Form 8-K as filed on November 28, 2005 with the SEC. (SEC File No: 0-12771.)
10.27*	Employment Letter Agreement dated June 19, 2009, between Walter P. Havenstein and Science Applications International Corporation. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K as filed on June 23, 2009 with the SEC.
10.28*	Stock Offer Letter dated June 19, 2009, to Walter P. Havenstein from Science Applications International Corporation. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K as filed on June 23, 2009 with the SEC.
21	Subsidiaries of Registrant.
23.1	Consent of Independent Registered Public Accounting Firm, Deloitte & Touche LLP.
31.1	Certification of Chief Executive Officer adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Patent License and Assignment Agreement dated as of August 12, 2005 between Science Applications International Corporation and VirnetX, Inc. Incorporated by reference to Exhibit 99.1 to Registrant's Annual Report on Form 10-K as filed on April 1, 2010 with the SEC.
99.2†	Amendment No. 1 dated as of November 2, 2006 to Patent License and Assignment Agreement between Science Applications International Corporation and VirnetX, Inc. Incorporated by reference to Exhibit 99.2 to Registrant's Annual Report on Form 10-K as filed on April 1, 2010 with the SEC.
99.3	Amendment No. 2 dated as of March 12, 2008 to Patent License and Assignment Agreement between Science Applications International Corporation and VirnetX, Inc. Incorporated by reference to Exhibit 99.3 to Registrant's Annual Report on Form 10-K as filed on April 1, 2010 with the SEC.
99.4 †	Professional Services Contract effective September 7, 1999 between Science Applications International Corporation and In-Q-Tel, Inc. (f/k/a In-Q-It, Inc.). Incorporated by reference to Exhibit 99.4 to Registrant's Annual Report on Form 10-K as filed on April 1, 2010 with the SEC.
101	Interactive Data File.

* Executive Compensation Plans and Arrangements

† Confidential treatment has been granted with respect to certain portions of these exhibits.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAIC, Inc.

By /s/ Walter P. Havenstein

Walter P. Havenstein
Chief Executive Officer

Dated: March 25, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Walter P. Havenstein **Walter P. Havenstein**	Principal Executive Officer and Director	March 25, 2011
/s/ Mark W. Sopp **Mark W. Sopp**	Principal Financial Officer	March 25, 2011
/s/ John R. Hartley **John R. Hartley**	Principal Accounting Officer	March 25, 2011
/s/ A. Thomas Young **A. Thomas Young**	Chair of the Board	March 25, 2011
/s/ France A. Córdova **France A. Córdova**	Director	March 25, 2011
/s/ Jere A. Drummond **Jere A. Drummond**	Director	March 25, 2011
/s/ Thomas F. Frist III **Thomas F. Frist, III**	Director	March 25, 2011
/s/ John J. Hamre **John J. Hamre**	Director	March 25, 2011
/s/ Miriam E. John **Miriam E. John**	Director	March 25, 2011
/s/ Anita K. Jones **Anita K. Jones**	Director	March 25, 2011
/s/ John P. Jumper **John P. Jumper**	Director	March 25, 2011
/s/ Harry M. J. Kraemer, Jr. **Harry M. J. Kraemer, Jr.**	Director	March 25, 2011
/s/ Lawrence C. Nussdorf **Lawrence C. Nussdorf**	Director	March 25, 2011
/s/ Edward J. Sanderson, Jr. **Edward J. Sanderson, Jr.**	Director	March 25, 2011

/s/ Louis A. Simpson	Director	March 25, 2011
Louis A. Simpson		

SAIC, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Financial statement schedules are omitted because they are not applicable or the required information is presented in the consolidated financial statements or the notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
SAIC, Inc.
McLean, Virginia

We have audited the accompanying consolidated balance sheets of SAIC, Inc. and subsidiaries (the "Company") as of January 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended January 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of SAIC, Inc. and subsidiaries as of January 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of January 31, 2011, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 25, 2011, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
March 25, 2011

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SAIC, INC.
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended January 31		
	2011	2010	2009
	(in millions, except per share amounts)		
Revenues	**$ 11,117**	$ 10,846	$ 10,070
Costs and expenses:			
Cost of revenues	**9,632**	9,343	8,692
Selling, general and administrative expenses	**527**	636	602
Operating income	**958**	867	776
Non-operating income (expense):			
Interest income	**2**	2	20
Interest expense	**(79)**	(76)	(78)
Other income (expense), net	**2**	6	(15)
Income from continuing operations before income taxes	**883**	799	703
Provision for income taxes	**(314)**	(299)	(256)
Income from continuing operations	**569**	500	447
Discontinued operations (Note 17):			
Income (loss) from discontinued operations before income taxes	**77**	(6)	(19)
Benefit (provision) for income taxes	**(28)**	3	24
Income (loss) from discontinued operations	**49**	(3)	5
Net income	**$ 618**	$ 497	$ 452
Earnings per share (Note 2):			
Basic:			
Income from continuing operations	**$ 1.51**	$ 1.26	$ 1.10
Income (loss) from discontinued operations	**.13**	(.01)	.01
	$ 1.64	$ 1.25	$ 1.11
Diluted:			
Income from continuing operations	**$ 1.51**	$ 1.24	$ 1.08
Income from discontinued operations	**.12**	—	.01
	$ 1.63	$ 1.24	$ 1.09

See accompanying notes to consolidated financial statements.

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SAIC, INC.
CONSOLIDATED BALANCE SHEETS

	January 31 2011	January 31 2010
	(in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$1,367**	$ 861
Receivables, net	**2,095**	2,044
Inventory, prepaid expenses and other current assets	**387**	288
Total current assets	**3,849**	3,193
Property, plant and equipment, net	**362**	389
Intangible assets, net	**211**	106
Goodwill	**1,678**	1,434
Deferred income taxes	**52**	103
Other assets	**71**	70
	$6,223	$5,295
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$1,217**	$1,191
Accrued payroll and employee benefits	**528**	512
Notes payable and long-term debt, current portion	**3**	3
Total current liabilities	**1,748**	1,706
Notes payable and long-term debt, net of current portion	**1,849**	1,103
Other long-term liabilities	**135**	195
Commitments and contingencies (Notes 14, 18 and 19)		
Stockholders' equity:		
Preferred stock, $.0001 par value, 10 million shares authorized at January 31, 2011 and 2010, no shares issued and outstanding at January 31, 2011 and 2010	**—**	—
Common stock, $.0001 par value, 2 billion shares authorized, 362 million and 388 million shares issued and outstanding at January 31, 2011 and 2010, respectively	**—**	—
Additional paid-in capital	**2,090**	2,096
Retained earnings	**434**	239
Accumulated other comprehensive loss	**(33)**	(44)
Total stockholders' equity	**2,491**	2,291
	$6,223	$5,295

See accompanying notes to consolidated financial statements.

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SAIC, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

	Shares						
	Common stock	Preferred stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total	Comprehensive Income
			(in millions)				
Balance at January 31, 2008	179	234	$ 1,804	$ 87	$ (23)	$1,868	
Net income	—	—	—	452	—	452	$ 452
Other comprehensive loss, net of tax	—	—	—	—	(26)	(26)	(26)
Issuances of stock	—	24	235	—	—	235	—
Repurchases of stock	(20)	(11)	(239)	(356)	—	(595)	—
Conversion of preferred stock to common stock	51	(51)	—	—	—	—	—
Excess tax benefits from stock-based compensation	—	—	56	—	—	56	—
Stock-based compensation	—	—	94	—	—	94	—
Balance at January 31, 2009	210	196	1,950	183	(49)	2,084	$ 426
Net income	—	—	—	497	—	497	$ 497
Other comprehensive income, net of tax	—	—	—	—	5	5	5
Issuances of stock	3	13	177	—	—	177	—
Repurchases of stock	(28)	(6)	(173)	(441)	—	(614)	—
Conversion of preferred stock to common stock	203	(203)	—	—	—	—	—
Excess tax benefits from stock-based compensation	—	—	36	—	—	36	—
Stock-based compensation	—	—	106	—	—	106	—
Balance at January 31, 2010	388	—	2,096	239	(44)	2,291	$ 502
Net income	—	—	—	618	—	618	$ 618
Other comprehensive income, net of tax	—	—	—	—	11	11	11
Issuances of stock	9	—	83	—	—	83	—
Repurchases of stock	(35)	—	(202)	(423)	—	(625)	—
Excess tax benefits from stock-based compensation	—	—	11	—	—	11	—
Stock-based compensation	—	—	102	—	—	102	—
Balance at January 31, 2011	**362**	**—**	**$ 2,090**	**$ 434**	**$ (33)**	**$2,491**	**$ 629**

See accompanying notes to consolidated financial statements.

SAIC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Cash flows from continuing operations:			
Net income	**$ 618**	$ 497	$ 452
Loss (income) from discontinued operations	**(49)**	3	(5)
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	**111**	93	89
Stock-based compensation	**102**	106	94
Excess tax benefits from stock-based compensation	**(11)**	(36)	(56)
Impairment losses	**4**	7	29
Other items	**(4)**	(7)	(3)
Increase (decrease) in cash and cash equivalents, excluding effects of acquisitions and divestitures, resulting from changes in:			
Receivables	**(8)**	(94)	4
Inventory, prepaid expenses and other current assets	**(28)**	54	(82)
Deferred income taxes	**6**	(18)	4
Other assets	**—**	3	(3)
Accounts payable and accrued liabilities	**(24)**	(32)	67
Accrued payroll and employee benefits	**19**	18	(73)
Income taxes payable	**6**	20	43
Other long-term liabilities	**(5)**	6	23
Total cash flows provided by continuing operations	**737**	620	583
Cash flows from investing activities:			
Expenditures for property, plant and equipment	**(74)**	(58)	(59)
Acquisitions of businesses, net of cash acquired of $10, $8 and $5 in fiscal 2011, 2010 and 2009, respectively	**(382)**	(256)	(201)
Net payments for purchase price adjustments related to prior year acquisitions	**—**	(2)	(3)
Other	**10**	10	14
Total cash flows used in investing activities of continuing operations	**(446)**	(306)	(249)
Cash flows from financing activities:			
Issuance of long-term debt, net of offering costs	**742**	—	—
Payments on notes payable and long-term debt	**(3)**	(18)	(113)
Sales of stock and exercises of stock options	**38**	58	76
Repurchases of stock	**(601)**	(474)	(445)
Excess tax benefits from stock-based compensation	**11**	36	56
Other	**—**	—	(1)
Total cash flows provided by (used in) financing activities of continuing operations	**187**	(398)	(427)
Increase (decrease) in cash and cash equivalents from continuing operations	**478**	(84)	(93)
Cash flows from discontinued operations:			
Cash provided by (used in) operating activities of discontinued operations	**(23)**	3	(41)
Cash provided by (used in) investing activities of discontinued operations	**52**	1	(10)
Increase (decrease) in cash and cash equivalents from discontinued operations	**29**	4	(51)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(1)**	5	(16)
Total increase (decrease) in cash and cash equivalents	**506**	(75)	(160)
Cash and cash equivalents at beginning of year	**861**	936	1,096
Cash and cash equivalents at end of year	**$1,367**	$ 861	$ 936

See accompanying notes to consolidated financial statements.

SAIC, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Summary of Significant Accounting Policies:

Nature of Operations and Basis of Presentation

SAIC, Inc. is a provider of scientific, engineering, systems integration and technical services and solutions to all branches of the U.S. military, agencies of the U.S. Department of Defense (DoD), the intelligence community, the U.S. Department of Homeland Security and other U.S. Government civil agencies, state and local government agencies, foreign governments and customers in select commercial markets.

The consolidated financial statements include the accounts of SAIC, Inc. and all majority-owned and 100%-owned subsidiaries (collectively referred to as the Company), including Science Applications International Corporation. All intercompany transactions and accounts have been eliminated in consolidation.

The Company may sell or dispose (or management may commit to plans to sell or dispose) of non-strategic components of the business, which are reclassified as discontinued operations for all periods presented. Prior year amounts are adjusted for consistency with the current year's presentation.

Unless otherwise noted, references to years are for fiscal years ended January 31. For example, the fiscal year ended January 31, 2011 is referred to as "fiscal 2011" in these notes to consolidated financial statements.

Stock Reclassification

In November 2009, the Company completed a reclassification in which each share of Class A preferred stock was converted into one share of common stock. Shares of Class A preferred stock had the same economic rights as shares of common stock; however, holders of Class A preferred stock were entitled to 10 votes per share while holders of common stock were entitled to one vote per share. This conversion did not impact the Company's consolidated financial position or results of operations, other than increasing the number of common shares outstanding and eliminating the preferred shares outstanding.

Operating Cycle

The Company's operating cycle for long-term contracts may be greater than one year and is measured by the average time intervening between the inception and the completion of those contracts. Contract related assets and liabilities are classified as current assets and current liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Management evaluates these estimates and assumptions on an ongoing basis, including those relating to allowances for doubtful accounts, inventories, fair value and impairment of intangible assets and goodwill, income taxes, estimated profitability of long-term contracts, pension benefits, stock-based compensation expense, contingencies and litigation. Estimates have been prepared by management on the basis of the most current and best available information and actual results could differ from those estimates.

Revenue Recognition Accounting Change

The Company's revenues are generated primarily from contracts with the U.S. Government, commercial customers, and various international, state and local governments or from subcontracts with other contractors engaged in work with such customers. The Company performs under various types of contracts, which include firm-fixed-price, time-and-materials, fixed-price-level-of-effort, cost-plus-fixed-fee, cost-plus-award-fee and cost-plus-incentive-fee contracts.

Accounting Change. Prior to February 1, 2010, the Company recognized revenues on cost-plus-fixed-fee, time-and-materials and fixed-price-level-of-effort contracts with the U.S. Government primarily based on contract costs incurred to date compared with total estimated costs at completion (cost-to-cost method), which is an input method of percentage-of-completion that relied heavily on management's estimates of contract revenues and contract costs at completion. Effective February 1, 2010, the Company changed its method of revenue recognition for cost-plus-fixed-fee, time-and-materials and fixed-price-level-of-effort contracts with the U.S. Government to the methods described below. Contract costs will continue to be expensed as incurred under these contracts.

Cost-plus-fixed-fee contracts—Revenue is recognized on the basis of partial performance as costs are incurred plus an estimate of applicable fees as the Company becomes contractually entitled to reimbursement of costs and the applicable fees pursuant to the guidance in Accounting Standards Codification (ASC) 912-605-25 Contractors-Federal Government—Recognition of Fees Under Cost-Plus-Fixed-Fee Contracts.

Time-and-materials contracts—Revenue is recognized using the percentage-of-completion method of accounting utilizing an output measure to measure progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material and subcontract costs and out-of-pocket expenses.

Fixed-price-level-of-effort contracts—These contracts are substantially similar to time-and-materials contracts except they require a specified level of effort over a stated period of time. Accordingly, the Company recognizes revenue in a manner similar to time-and-materials contracts whereby the Company uses the percentage-of-completion method of accounting utilizing an output measure. The Company measures progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material costs and out-of-pocket expenses.

The revenue recognition change impacts contracts accounting for approximately two-thirds of the Company's revenues. The Company believes the change is to an alternative accounting principle that is preferable because it better reflects the economic substance and earnings process under these arrangements. This change was facilitated by the implementation of a new information technology system.

Although this change impacts contracts accounting for approximately two-thirds of the Company's revenues, the result of the accounting change was immaterial to the Company's consolidated financial position and results of operations for all periods presented because the resulting measurement of the progress toward completion under the two methods is not significantly different. Accordingly, the cumulative effect of the accounting change was recognized in the consolidated statement of income in the first quarter of fiscal 2011, rather than retrospectively applied to the prior period consolidated financial statements.

Revenue Recognition. Cost-plus-fixed-fee contracts—Revenue is recognized on cost-plus-fixed-fee contracts with the U.S. Government on the basis of partial performance equal to costs incurred plus an estimate of applicable fees earned as the Company becomes contractually entitled to reimbursement of costs and the applicable fees.

Time-and-materials contracts—Revenue is recognized on time-and-materials contracts with the U.S. Government using the percentage-of-completion method of accounting utilizing an output measure of progress. Revenue is recognized on time-and-materials contracts with non-U.S. Government customers using a proportional performance method. Under both of these methods, revenue is recognized based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material and subcontract costs and out-of-pocket expenses.

Fixed-price-level-of-effort contracts (FP-LOE)—These contracts are substantially similar to time-and-materials contracts except they require a specified level of effort over a stated period of time. Accordingly, the Company recognizes revenue on FP-LOE contracts with the U.S. Government in a manner similar to time-and-materials contracts whereby the Company measures progress toward completion based on the hours provided in performance under the contract multiplied by the negotiated contract billing rates, plus the negotiated contract billing rate of any allowable material costs and out-of-pocket expenses.

Cost-plus-award-fee/cost-plus-incentive fee contracts—Revenues and fees on these contracts with the U.S. Government are primarily recognized using the percentage-of-completion method of accounting, most often based on the cost-to-cost method. The Company includes an estimate of the ultimate incentive or award fee to be received on the contract in the estimate of contract revenues for purposes of applying the percentage-of-completion method of accounting.

Firm-fixed-price contracts—Revenues and fees on these contracts that are system integration or engineering in nature are primarily recognized using the percentage-of-completion method of accounting utilizing the cost-to-cost method.

Revenues from services and maintenance contracts, notwithstanding contract type, are recognized over the term of the respective contracts as the services are performed and revenue is earned. Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Revenues from the sale of manufactured products are recorded upon passage of title and risk of loss to the customer, which is generally upon delivery, provided that all other requirements for revenue recognition have been met.

The Company also uses the efforts-expended method of percentage-of-completion using measures such as labor dollars for measuring progress toward completion in situations in which this approach is more representative of the progress on the contract. For example, the efforts-expended method is utilized when there are significant amounts of materials or hardware procured for the contract that is not representative of progress on the contract. Additionally, the Company utilizes the units-of-delivery method under percentage-of-completion on contracts where separate units of output are produced. Under the units-of-delivery method, revenue is generally recognized when the units are delivered to the customer, provided that all other requirements for revenue recognition have been met.

The Company also evaluates its contracts for multiple elements, and when appropriate, separates the contracts into separate units of accounting for revenue recognition.

The Company provides for anticipated losses on contracts by recording an expense during the period in which the losses are determined. Amounts billed and collected but not yet recognized as revenues under certain types of contracts are deferred. Contract costs incurred for U.S. Government contracts, including indirect costs, are subject to audit and adjustment through negotiations between the Company and government representatives. The Company has agreed upon and settled indirect contract costs through fiscal 2004. Revenues on U.S. Government contracts have been recorded in amounts that are expected to be realized upon final settlement.

The Company's accounts receivable include unbilled receivables, which consist of costs and fees billable upon contract completion or the occurrence of a specified event, the majority of which is expected to be billed and collected within one year. The Company does not believe it has significant exposure to credit risk as accounts receivable and the related unbilled amounts are primarily due from the U.S. Government. Unbilled receivables are stated at estimated realizable value. Contract retentions are billed when the Company has negotiated final indirect rates with the U.S. Government and, once billed, are subject to audit and approval by government representatives. Consequently, the timing of collection of retention balances is outside the Company's control. Based on the Company's historical experience, the majority of retention balances are expected to be collected beyond one year.

Contract claims are unanticipated additional costs incurred but not provided for in the executed contract price that the Company seeks to recover from the customer. Such costs are expensed as incurred. Additional revenue related to contract claims is recognized when the amounts are awarded by the customer.

In certain situations, primarily where the Company is not the primary obligor on certain elements of a contract such as the provision of administrative oversight and/or management of government-owned facilities or logistical support services related to other vendors' products, the Company recognizes as revenue the net management fee associated with the services and excludes from its income statement the gross sales and costs associated with the facility or other vendors' products.

Pre-contract Costs

Costs incurred on projects as pre-contract costs are deferred as assets (inventory, prepaid expenses and other current assets) when the Company has been requested by the customer to begin work under a new arrangement prior to contract execution. The Company records pre-contract costs when formal contracts have not yet been executed, and it is probable that the Company will recover the costs through the issuance of a contract. When the formal contract has been executed, the costs are recorded to the contract and revenue is recognized.

Fair Value of Financial Instruments

The accounting standard for fair value measurements establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: observable inputs such as quoted prices in active markets (Level 1); inputs other than the quoted prices in active markets that are observable either directly or indirectly (Level 2); and unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions (Level 3). The Company utilizes Level 2 inputs in testing assets for recovery upon events or changes in circumstances that indicate the carrying value of those assets may not be recoverable.

The fair value of financial instruments is determined based on quoted market prices, if available, or management's best estimate. It is management's belief that the carrying amounts of the Company's financial instruments, which include cash equivalents and long-term investments in private equity securities, are reasonable estimates of their related fair values. Cash equivalents are recorded at historical cost which equals fair value based on quoted market prices (Level 1 input). Management evaluates its investments for other-than-temporary impairment at each balance sheet date. When testing long-term investments for recovery of carrying value, the fair value of long-term investments in private equity securities is determined using various valuation techniques and factors, such as market prices of comparable companies (Level 2 input), discounted cash flow models (Level 2 input) and recent capital transactions of the portfolio companies being valued (Level 3 input). If management determines that an other-than-temporary decline in the fair value of an investment has occurred, an impairment loss is recognized to reduce the investment to its estimated fair value (Level 2 input). The fair value of long-term debt (Note 7) is determined based on interest rates available for debt with terms and maturities similar to the Company's existing debt arrangements (Level 2 input).

Cash and Cash Equivalents

The Company's cash equivalents were primarily comprised of investments in several large institutional money market funds that invest primarily in bills, notes and bonds issued by the U.S. Treasury, U.S. Government guaranteed repurchase agreements fully collateralized by U.S. Treasury obligations, U.S. Government guaranteed securities and investment-grade corporate securities that have original maturities of three months or less. There are no restrictions on the withdrawal of the Company's cash and cash equivalents.

Restricted Cash

The Company has restricted cash balances, primarily representing advances from a customer, that are restricted as to use for certain expenditures related to that customer's contract. Restricted cash is reflected in inventory, prepaid expenses and other current assets in the Company's consolidated financial statements.

Investments

Investments in affiliates and corporate joint ventures where the Company has a noncontrolling ownership interest representing less than 50% and over which the Company has the ability to exercise significant influence, are accounted for under the equity method of accounting whereby the Company recognizes its proportionate share of the affiliates' net income or loss and does not consolidate the affiliates' assets and liabilities. Equity investments in affiliates over which the Company does not have the ability to exercise significant influence and whose securities do not have a readily determinable fair value are carried at cost or cost net of other-than-temporary impairments.

Inventories

Inventories are valued at the lower of cost or estimated net realizable value. Raw material inventory is valued using the average cost or first-in, first-out methods. Work-in-process inventory includes raw material costs plus labor costs, including fringe benefits, and allocable overhead costs. Finished goods inventory consists primarily of purchased finished goods for resale to customers, such as tires, lubricants and first responder equipment, in addition to manufactured border, port and mobile security products. The Company evaluates inventory against historical and planned usage to determine appropriate provisions for obsolete inventory.

Property, Plant and Equipment

Purchases of property, plant and equipment as well as costs associated with major renewals and betterments are capitalized. Maintenance, repairs and minor renewals and betterments are expensed as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized.

Depreciation is recognized using the methods and estimated useful lives as follows:

	Depreciation method	Estimated useful lives (in years)
Equipment	Straight-line or declining-balance	2-10
Building	Straight-line	20-40
Building improvements and leasehold improvements	Straight-line	Shorter of lease term or 25

The Company evaluates its long-lived assets for potential impairment whenever there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable and the carrying amount of the asset exceeds its estimated future undiscounted cash flows. When the carrying amount of the asset exceeds its estimated future undiscounted cash flows, an impairment loss is recognized to reduce the asset's carrying amount to its estimated fair value based on the present value of its estimated future cash flows.

Beginning in fiscal 2009, in an effort to improve the Company's cost structure, improve utilization of building space and generate funds for investments in growth initiatives, management committed to a plan to sell certain company-owned facilities. As of January 31, 2011, there were certain facilities that are reported as held for sale within the Corporate and Other segment.

Goodwill and Intangible Assets

The Company evaluates goodwill (Note 5) for potential impairment annually at the beginning of the fourth quarter, or if events or circumstances indicate that the carrying value may not be recoverable. The goodwill impairment test is a two-step process performed at the reporting unit level. The first step consists of estimating the fair values of each of the reporting units based on a combination of two valuation methods, a market approach and an income approach. Fair value computed using these two methods is determined using a number of factors, including projected future operating results and business plans, economic projections, anticipated future cash flows, comparable market data based on industry grouping, and the cost of capital. The estimated fair values are compared with the carrying values of the reporting units, which include the allocated goodwill. If the fair value is less than the carrying value of a reporting unit, which includes the allocated goodwill, a second step is performed to compute the amount of the impairment by determining an implied fair value of goodwill. The implied fair value of goodwill is the residual fair value derived by deducting the fair value of a reporting unit's identifiable assets and liabilities from its estimated fair value calculated in the first step. The impairment expense represents the excess of the carrying amount of the reporting units' goodwill over the implied fair value of the reporting units' goodwill.

Intangible assets with finite lives are amortized using the method that best reflects how their economic benefits are utilized or, if a pattern of economic benefits cannot be reliably determined, on a straight-line basis over their estimated useful lives. Intangible assets with finite lives are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Intangible assets with indefinite lives are not amortized but are assessed for impairment at the beginning of the fourth quarter and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Selling, General and Administrative Expenses

The Company classifies indirect costs incurred within or allocated to its Government segment as overhead (included in cost of revenues) and general and administrative expenses in the same manner as such costs are defined in the Company's disclosure statements under U.S. Government Cost Accounting Standards. Effective in fiscal 2011, the Company updated its disclosure statements with the Defense Contract Management Agency, resulting in certain costs being classified differently either as overhead or as general and administrative expenses on a prospective basis. This change has caused a net increase in reported cost of revenues and a net decrease in reporting selling, general and administrative expenses in fiscal 2011 as compared to fiscal 2010; however, total operating costs were not affected by this change. Selling, general and administrative expenses include general and administrative, bid and proposal and internal research and development expenses.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with the accounting standard for income taxes. The asset and liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities (Note 12). Under this method, changes in tax rates and laws are recognized in income in the period such changes are enacted.

The Company records net deferred tax assets to the extent that it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount or would no longer be able to realize its deferred income tax assets in the future as currently recorded, the Company would make an adjustment to the valuation allowance which would decrease or increase the provision for income taxes.

The provision for federal, state, foreign and local income taxes is calculated on income before income taxes based on current tax law and includes the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Such provision differs from the amounts currently payable because certain items of income and expense are recognized in different reporting periods for financial reporting purposes than for income tax purposes.

The Company recognizes liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in its income tax expense.

Stock-Based Compensation

The Company recognizes the fair value of all stock-based awards, including stock options, granted to employees and directors in exchange for services as compensation expense over the requisite service period, which is typically the vesting period, net of an estimated forfeiture rate.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash equivalents and accounts receivable. At January 31, 2011, the Company's cash and cash equivalents, which include investments in several large institutional money market funds that invest primarily in bills, notes and bonds issued by the U.S. Treasury, U.S. Government guaranteed repurchase agreements fully collateralized by U.S. Treasury obligations, U.S. Government guaranteed securities and investment-grade corporate securities, bear both fixed and variable interest rates. Although credit risk is limited, the Company's receivables are concentrated with its principal customers, which are the various agencies of the U.S. Government and customers engaged in work for the U.S. Government.

Foreign Currency

The financial statements of consolidated international subsidiaries, for which the functional currency is not the U.S. dollar, are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for revenues, expenses, gains and losses. Translation adjustments are recorded as accumulated other comprehensive income (loss) in stockholders' equity. Transaction gains and losses are recognized in the statement of income.

Accounting Standards Updates Adopted

In July 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2010-20, *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, which became effective for the Company during the year ended January 31, 2011. This update expands the disclosure requirements regarding an entity's allowance for credit losses and the quality of its financing receivables. The expanded disclosure requirements do not apply to trade account receivables arising from the sale of goods or services with contractual maturities of one year or less. The majority of the Company's accounts receivable, including unbilled accounts receivable, result from sales to the U.S. Government, which are presumed to be free of credit risk, and have contractual maturities of less than one year. Accordingly, the expanded disclosure requirements are not applicable to the Company's receivables with the U.S. Government.

During the fiscal years presented, the Company adopted various other accounting standards issued by the FASB, none of which had a material effect on the Company's consolidated financial position and results of operations.

Accounting Standards Updates Issued But Not Yet Adopted

In the descriptions of accounting standards updates that follow, references to descriptive titles in "*italics*" relate to the FASB Accounting Standards Codification Topics and Subtopics, and their descriptive titles, as appropriate.

In October 2009, the FASB issued an update to *"Revenue Recognition—Multiple-Deliverable Revenue Arrangements"*. This update removes the objective-and-reliable-evidence-of-fair-value criterion from the separation criteria used to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, replaces references to "fair value" with "selling price" to distinguish from the fair value measurements required under the *"Fair Value Measurements and Disclosures"* guidance, provides a hierarchy that entities must use to estimate the selling price, eliminates the use of the residual method for allocation, and expands the ongoing disclosure requirements. This update is effective for the Company beginning February 1, 2011 and will be applied prospectively. The adoption of this accounting standard update is not expected to have a material impact on the Company's consolidated financial position and results of operations.

In October 2009, the FASB issued an update to *"Software—Multiple-Deliverable Revenue Arrangements"*. This update amends the existing accounting model for revenue arrangements that include both tangible products and software elements. Tangible products containing software components and nonsoftware components that function together to deliver the tangible product's essential functionality are excluded from the scope of software revenue guidance. In addition, this update provides guidance on how a vendor should allocate consideration to deliverables in an arrangement that includes both tangible products and software and enhances the disclosure requirements related to these arrangements. This update is effective for arrangements entered into or materially modified by the Company after January 31, 2011 and will be applied prospectively. The adoption of this accounting standard update is not expected to have a material impact on the Company's consolidated financial position and results of operations.

Other new accounting standards and updates issued but not effective until after January 31, 2011, are not expected to have a significant effect on the Company's consolidated financial position or results of operations.

Note 2—Earnings per Share:

In calculating EPS using the two-class method, the Company is required to allocate a portion of its earnings to its unvested stock awards containing nonforfeitable rights to dividends or dividend equivalents (participating securities). Basic EPS is computed by dividing income less earnings allocable to participating securities by the basic weighted average number of shares outstanding. Diluted EPS is computed similar to basic EPS, except the weighted average number of shares outstanding is increased to include the dilutive effect of outstanding stock options and other stock-based awards.

A reconciliation of the income used to compute basic and diluted EPS for the years presented was as follows:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
Basic EPS:			
Income from continuing operations, as reported	**$ 569**	$ 500	$ 447
Less allocation of undistributed earnings to participating securities	**18**	15	13
Income from continuing operations, for computing basic EPS	**$ 551**	$ 485	$ 434
Net income, as reported	**$ 618**	$ 497	$ 452
Less allocation of undistributed earnings to participating securities	**20**	15	13
Net income, for computing basic EPS	**$ 598**	$ 482	$ 439
Diluted EPS:			
Income from continuing operations, as reported	**$ 569**	$ 500	$ 447
Less allocation of undistributed earnings to participating securities	**18**	15	13
Income from continuing operations, for computing diluted EPS	**$ 551**	$ 485	$ 434
Net income, as reported	**$ 618**	$ 497	$ 452
Less allocation of undistributed earnings to participating securities	**20**	15	13
Net income, for computing diluted EPS	**$ 598**	$ 482	$ 439

A reconciliation of the weighted average number of shares outstanding used to compute basic and diluted EPS for the years presented was as follows:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
Basic weighted average number of shares outstanding	**364**	386	395
Dilutive common share equivalents—stock options and other stock awards	**2**	4	7
Diluted weighted average number of shares outstanding	**366**	390	402

Basic and diluted EPS for the years presented was as follows:

	Year Ended January 31		
	2011	2010	2009
Basic:			
Income from continuing operations	**$ 1.51**	$ 1.26	$ 1.10
Income (loss) from discontinued operations	**.13**	(.01)	.01
	$ 1.64	$ 1.25	$ 1.11
Diluted:			
Income from continuing operations	**$ 1.51**	$ 1.24	$ 1.08
Income from discontinued operations	**.12**	—	.01
	$ 1.63	$ 1.24	$ 1.09

The following stock-based awards were excluded from the weighted average number of shares outstanding used to compute basic and diluted EPS for the years presented:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Antidilutive stock options excluded	**19**	11	7
Performance-based stock awards excluded	**1**	1	—
Weighted average number of unvested stock awards outstanding excluded	**12**	12	12

Note 3—Composition of Certain Financial Statement Captions:

	January 31	
	2011	2010
	(in millions)	
Receivables, net:		
Billed and billable receivables	**$ 1,580**	$ 1,556
Unbillable receivables, including contract retentions	**524**	498
Less allowance for doubtful accounts	**(9)**	(10)
	$ 2,095	$ 2,044
Inventory, prepaid expenses and other current assets:		
Inventories	**$ 116**	$ 125
Prepaid expenses	**43**	36
Restricted cash	**38**	29
Deferred income taxes	**44**	34
Assets held for sale	**39**	6
Prepaid income taxes and tax refunds	**59**	19
Other	**48**	39
	$ 387	$ 288
Property, plant and equipment, net:		
Computers and other equipment	**$ 296**	$ 274
Buildings and improvements	**185**	221
Leasehold improvements	**187**	168
Office furniture and fixtures	**57**	58
Land	**33**	44
Construction in progress	**10**	7
	768	772
Less accumulated depreciation and amortization	**(406)**	(383)
	$ 362	$ 389
Accounts payable and accrued liabilities:		
Accounts payable	**$ 464**	$ 511
Accrued liabilities for materials, subcontractors and other items	**634**	525
Collections in excess of revenues on uncompleted contracts and deferred revenue	**119**	155
	$ 1,217	$ 1,191
Accrued payroll and employee benefits:		
Salaries, bonuses and amounts withheld from employees' compensation	**$ 261**	$ 241
Accrued vacation	**254**	253
Accrued contributions to employee benefit plans	**13**	18
	$ 528	$ 512
Other long-term liabilities:		
Accrued pension liabilities	**$ 20**	$ 42
Deferred compensation	**35**	39
Liabilities for uncertain tax positions	**25**	34
Other	**55**	80
	$ 135	$ 195

Note 4—Acquisitions:

The Company acquires businesses as part of its growth strategy to provide new or enhance existing capabilities and offerings to customers. The Company completed acquisitions in the Government segment during the periods presented, which individually and in the aggregate were not considered material business combinations in the year acquired.

Acquisition information for the years presented was as follows:

	Year Ended January 31		
	2011	2010	2009
	($ in millions)		
Number of acquisitions	3	6	2
Aggregate purchase price:			
Cash consideration (paid and accrued)	$ 389	$ 267	$ 209
Non-cash consideration	—	3	—
Contingent consideration	—	6	—
	$ 389	$ 276	$ 209

The most notable acquisitions in fiscal 2011 included Cloudshield Technologies, Inc. and Reveal Imaging Technologies, Inc. Cloudshield Technologies, Inc. is a provider of cyber security and management services solutions. This acquisition enhanced the Company's cyber security offerings and positioned the Company to bring to market deep packet inspection solutions for high speed networks, enabling the Company to better meet emerging customer requirements. Reveal Imaging Technologies, Inc. is a provider of threat detection products and services. This acquisition enhanced the Company's homeland security solutions portfolio by adding U.S. Transportation Security Administration certified explosive detection systems for checked baggage screening to the Company's passenger and cargo inspections systems product offerings.

The most notable acquisitions in fiscal 2010 included R.W. Beck Group, Inc. and Science, Engineering and Technology Associates Corporation. R.W. Beck Group, Inc. is a provider of business, engineering, energy and infrastructure consulting services. This acquisition both enhanced the Company's existing capabilities and offerings in the areas of energy and infrastructure consulting services and provided new capabilities and offerings in disaster preparedness and recovery services. Science, Engineering and Technology Associates Corporation, is a provider of intelligence, surveillance and reconnaissance information technologies. This acquisition enhanced the Company's service offerings and capabilities by adding information technologies that detect human behaviors to identify human-borne suicide bombers.

The most notable acquisitions in fiscal 2009 included SM Consulting, Inc. and Icon Systems, Inc. SM Consulting, Inc. is a provider of language translation, interpretation and training, and other consulting services to federal, state and local governments and commercial customers. While this acquisition enhanced the Company's existing capabilities and offerings, it also expanded the Company's relationships with DoD customers in adjacent markets for these services. Icon Systems, Inc. is a provider of laser-based systems and products for military training and testing. This acquisition enhanced the Company's wireless live training offerings.

The Company has not yet obtained all of the information required to complete the purchase price allocations related to the acquisitions made in fiscal 2011. The final purchase price allocations will be completed after the information identified by the Company has been received. Purchase price (preliminary or final) allocations for the years presented were as follows:

	Year Ended January 31		
	2011	2010	2009
	($ in millions)		
Purchase price allocations:			
Goodwill:			
Tax deductible goodwill	$ 16	$ 77	$ 178
Non-tax deductible goodwill	227	105	1
Identifiable intangible assets:			
Customer relationships (finite-lived)	$ 9	$ 33	$ 22
Software and technology (finite-lived)	110	17	1
In-process research and development (indefinite-lived)	27	3	—
Weighted average lives of finite-lived intangibles:			
Customer relationships	2 years	5 years	4 years
Software and technology	8 years	8 years	7 years
All finite-lived intangible assets	7 years	6 years	4 years

Note 5—Goodwill and Intangible Assets:

The changes in the carrying value of goodwill by segment were as follows:

	Government	Commercial	Total
		(in millions)	
Goodwill at January 31, 2009	$ 1,215	$ 34	$ 1,249
Acquisitions	181	—	181
Foreign currency translation	—	2	2
Adjustments	7	(5)	2
Goodwill at January 31, 2010	1,403	31	1,434
Acquisitions	243	—	243
Adjustments	1	—	1
Goodwill at January 31, 2011	**$ 1,647**	**$ 31**	**$ 1,678**

Goodwill adjustments in fiscal 2011 and 2010 resulted from the finalization of purchase price allocations related to prior year acquisitions.

Intangible assets, including those arising from preliminary estimates of assets acquired relating to acquisitions, consisted of the following:

	January 31					
	2011			2010		
	Gross carrying value	**Accumulated amortization**	**Net carrying value**	Gross carrying value	Accumulated amortization	Net carrying value
			(in millions)			
Finite-lived intangible assets:						
Customer relationships	**$ 123**	**$ 67**	**$ 56**	$ 119	$ 48	$ 71
Software and technology	**157**	**37**	**120**	58	31	27
Other	**2**	**1**	**1**	2	1	1
Total finite-lived intangible assets	**282**	**105**	**177**	179	80	99
Indefinite-lived intangible assets:						
In-process research and development	**30**	**—**	**30**	3	—	3
Trade names	**4**	**—**	**4**	4	—	4
Total indefinite-lived intangible assets	**34**	**—**	**34**	7	—	7
Total intangible assets	**$ 316**	**$ 105**	**$ 211**	$ 186	$ 80	$ 106

Finite-lived intangible assets with a gross carrying value of $17 million became fully amortized in fiscal 2011 and are no longer reflected in the gross carrying value after becoming fully amortized.

The estimated annual amortization expense related to finite-lived intangible assets as of January 31, 2011 was as follows (in millions):

Year Ending January 31	
2012	$ 40
2013	32
2014	28
2015	20
2016	17
2017 and thereafter	40
	$ 177

Actual amortization expense in future periods could differ from these estimates as a result of future acquisitions, divestitures, impairments, the outcome and timing of completion of in-process research and development projects (the assets of which will become amortizable upon completion and placement into service, or will be impaired if abandoned), adjustments to preliminary valuations of intangible assets and other factors.

Note 6—Revolving Credit Facility:

The Company had an unused revolving credit facility at January 31, 2011 providing for $750 million in unsecured borrowing capacity at interest rates determined, at the Company's option, based on either LIBOR plus a margin or a defined base rate through fiscal 2013. As of January 31, 2011 and 2010, there were no borrowings outstanding under the revolving credit facility.

The revolving credit facility contains certain customary representations and warranties, as well as certain affirmative and negative covenants. The financial covenants contained in the revolving credit facility require that, for a period of four trailing fiscal quarters, the Company maintains a ratio of consolidated funded debt to earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted for other items as defined in the credit facility of not more than 3.0 to 1.0 and a ratio of EBITDA adjusted for other items as defined in the credit facility to interest expense of greater than 3.5 to 1.0. The Company was in compliance with these financial covenants as of January 31, 2011.

Other covenants restrict certain of the Company's activities, including among other things, its ability to create liens, dispose of certain assets and merge or consolidate with other entities and to declare and pay a dividend on the Company's stock. The revolving credit facility also contains certain customary events of default, including, among others, defaults based on certain bankruptcy and insolvency events, nonpayment, cross-defaults to other debt, breach of specified covenants, Employee Retirement Income Security Act (ERISA) events, material monetary judgments, change of control events and the material inaccuracy of the Company's representations and warranties.

Subsequent to January 31, 2011, the Company amended and restated the revolving credit facility. The amended and restated agreement provides a $750 million revolving credit facility with similar terms maturing in fiscal 2016.

Note 7—Notes Payable and Long-Term Debt:

The Company's notes payable and long-term debt consisted of the following for the years presented:

	Stated interest rate	Effective interest rate	January 31 2011	January 31 2010
			(in millions)	
Senior unsecured notes:				
$550 million notes issued in fiscal 2003, which mature in July 2012	6.25%	6.50%	**$ 550**	$ 549
$450 million notes issued in fiscal 2011, which mature in December 2020	4.45%	4.59%	**448**	—
$250 million notes issued in fiscal 2003, which mature in July 2032	7.13%	7.43%	**248**	248
$300 million notes issued in fiscal 2004, which mature in July 2033	5.50%	5.78%	**296**	296
$300 million notes issued in fiscal 2011, which mature in December 2040	5.95%	6.03%	**300**	—
Other notes payable due on various dates through fiscal 2017	0%-3.1%	Various	**10**	13
Total			**1,852**	1,106
Less current portion			**3**	3
Notes payable and long-term debt, net of current portion			**$ 1,849**	$ 1,103
Fair value of notes payable and long-term debt			**$ 1,930**	$ 1,165

Interest is payable on the Company's senior unsecured notes on a semi-annual basis with principal payments due on maturity. The note discounts, issuance costs and the loss on the settlement of related treasury lock contracts are amortized to interest expense, which results in an effective interest rate that is higher than the stated interest rate of the notes.

The senior unsecured notes contain customary restrictive covenants, including, among other things, restrictions on the Company's ability to create liens and enter into sale and leaseback transactions. The Company was in compliance with all covenants as of January 31, 2011.

Maturities of notes payable and long-term debt are as follows (in millions):

Year Ending January 31		
2012	$	3
2013		553
2014		1
2015		1
2016		1
2017 and thereafter		1,301
Total principal payments		1,860
Less unamortized discount		8
	$	1,852

Note 8—Financial Instruments:

The Company is exposed to certain market risks which are inherent in certain transactions entered into during the normal course of business. These transactions include sales contracts denominated in foreign currencies, investments in equity securities and exposure to changing interest rates. The Company uses a risk management policy to assess and manage cash flow and fair value exposures. The policy permits the use of derivative instruments with certain restrictions. The Company does not hold derivative instruments for trading or speculative purposes.

Foreign Currency Forward Contracts

Although the majority of the Company's transactions are denominated in U.S. dollars, some transactions are denominated in foreign currencies. The Company utilizes foreign currency forward contracts to manage foreign currency exchange rate risk related to receipts from customers, payments to suppliers and certain intercompany transactions denominated in currencies other than the Company's (or one of its subsidiaries') functional currency. The Company enters into foreign currency forward contracts from time to time to fix, or limit the adverse impact on, the amount of firmly committed and forecasted non-functional payments, receipts and intercompany transactions related to its ongoing business and operational financing activities. As of January 31, 2011, outstanding foreign currency forward contracts had an aggregate notional amount of $3 million with an immaterial fair value, which is estimated using an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount (Level 2 input). Since the foreign currency forward contracts do not qualify as cash flow hedges in accordance with the accounting standard for derivative and hedging instruments, gains and losses are recognized in earnings immediately. During the years ended January 31, 2011 and 2010, the Company recognized net gains from foreign currency forward contracts (included in other income, net) of $1 million.

Note 9—Retirement Plans:

Defined Contribution Plans

The Company sponsors several defined contribution plans, including the SAIC Retirement Plan (SRP) which is both a 401(k) plan and an employee stock ownership plan, in which most employees are eligible to participate. These plans allow eligible participants to contribute a portion of their income through payroll deductions and the Company may also make discretionary contributions. The Company contributions expensed for defined contribution plans was $159 million, $162 million and $159 million in fiscal 2011, 2010 and 2009, respectively.

Deferred Compensation Plans

The Company maintains two deferred compensation plans for the benefit of certain management or highly compensated employees or directors and allows eligible participants to elect to defer all or a portion of their annual bonus, sign-on bonus or certain other bonuses. Directors may also elect to defer their director fees. The Company makes no contributions to the Keystaff Deferral Plan but maintains participant accounts for deferred amounts and interest earned. Interest is accrued based on the Moody's Seasoned Corporate Bond Rate (4.44% to 5.84% during fiscal 2011). Deferred balances are generally paid upon termination. Under the Key Executive Stock Deferral Plan (KESDP), eligible participants may elect to defer in share units all or a portion of their bonus awards granted under the 2006 Equity Incentive Plan (Note 10) and prior plans. The Company makes no contributions to the accounts of KESDP participants. Benefits from the KESDP are payable in shares of the Company's stock that may be held in a trust for the purpose of funding benefit payments to KESDP participants. Deferred balances will generally be paid upon retirement or termination.

Beginning in January 2011, the Company sponsored a 401(k) Excess Deferral Plan (Excess Plan) for the benefit of certain management or highly compensated employees that allows participants to elect to defer up to 20% of their eligible salary once the participant has met the contribution limit imposed on the SAIC Retirement Plan. The Company will make a matching contribution to participants who have received a reduced Company contribution in the SAIC Retirement Plan due to the participant's deferral of salary into the Excess Plan. As of January 31, 2011, there have been no participant deferrals or Company contributions related to the Excess Plan.

Defined Benefit Plans

The Company sponsors a defined benefit pension plan in the United Kingdom for plan participants that primarily performed services on a specific customer contract, which expired in March 2010. In April 2010, plan participants who were then performing services on the contract transferred to a successor contractor. The Company expects to recognize charges (pre-tax) of approximately $10 million to $20 million from recognition of losses related to the underfunded pension obligations associated with certain plan participants whose pension plan assets and obligations are expected to be transferred to a successor contractor and from related costs. The timing and definitive amount of the charges the Company will incur depends on the number of plan participants who elect to transfer their pension benefits to a successor contractor, the amount of assets and obligations to be transferred, the performance of the pension plan assets and the timing of the transfer of the pension plan assets and obligations. The Company will have continuing defined benefit pension obligations with respect to certain plan participants. However, as of March 2011, benefits are no longer accruing under the plan.

Funded Status. The following tables set forth the funded status and amounts recognized in the consolidated balance sheets for this plan.

	Year Ended January 31	
	2011	2010
	(in millions)	
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	**$ 136**	$ 99
Service cost	**1**	3
Interest cost	**7**	7
Plan participants' contributions	**—**	1
Actuarial loss (gain)	**(1)**	18
Benefits paid	**(3)**	(4)
Contractual termination benefits	**1**	1
Curtailments	**(8)**	—
Foreign exchange rate changes	**(2)**	11
Projected benefit obligation at end of year	**$ 131**	$ 136
Change in plan assets:		
Fair value of plan assets at beginning of year	**$ 94**	$ 64
Actual return on plan assets	**11**	17
Company contributions	**10**	9
Plan participants' contributions	**—**	1
Benefits paid	**(3)**	(4)
Foreign exchange rate changes	**(1)**	7
Fair value of plan assets at end of year	**$ 111**	$ 94
Funded status at end of year	**$ (20)**	$ (42)

	January 31	
	2011	2010
	(in millions)	
Accumulated benefit obligation	**$ 130**	$ 127
Amounts recognized in the consolidated balance sheets consist of:		
Accrued pension liability (other long-term liabilities)	**$ (20)**	$ (42)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss (pretax)	**$ 34**	$ 50

The components of the Company's net periodic benefit cost for this plan were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Service cost	$ 1	$ 3	$ 3
Interest cost	7	7	7
Expected return on plan assets	(7)	(5)	(7)
Amortization of actuarial loss	1	3	1
Contractual termination benefits	1	1	—
	$ 3	$ 9	$ 4

The net actuarial loss included in accumulated other comprehensive loss (pre-tax) and expected to be recognized in net periodic benefit cost in fiscal 2012 is $1 million.

Actuarial Assumptions. The weighted-average assumptions used in determining the benefit obligations and the net periodic benefit cost of pension were as follows:

	January 31	
	2011	2010
Assumptions used to determine benefit obligations at the plan's measurement date:		
Discount rate	5.6%	5.5%
Rate of compensation increase	4.4	4.3

	Year Ended January 31		
	2011	2010	2009
Assumptions used to determine net periodic benefit cost:			
Discount rate	5.5%	6.2%	6.2%
Expected long-term rate of return on plan assets	6.8	6.7	7.2
Rate of compensation increase	4.3	4.3	4.3

The overall expected long-term rate of return on plan assets assumption represents the expected average earnings on funds invested or to be invested by the plan. This return is based on a variety of factors including long-term historical market returns for each asset class in the plan and review of peer data. A weighting of these asset class returns, based on the actual allocation of the asset classes in the plan as of the beginning of the fiscal year, was performed to determine an overall expected long-term rate of return on plan assets.

Plan Assets. The following tables set forth the fair value of plan assets and related level of inputs used to determine the fair value of plan assets in each asset class as defined by the accounting standard for fair value measurements (Note 1):

January 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1 inputs)	Significant Other Observable Inputs (Level 2 inputs)	Significant Unobservable Inputs (Level 3 inputs)	Total
	(in millions)			
Asset class:				
International equity securities	$ —	$ 44	$ —	$ 44
United Kingdom government bonds	—	10	—	10
Corporate bonds	—	17	—	17
Cash	40	—	—	40
	$ 40	$ 71	$ —	$111

January 31, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1 inputs)	Significant Other Observable Inputs (Level 2 inputs)	Significant Unobservable Inputs (Level 3 inputs)	Total
	(in millions)			
Asset class:				
International equity securities	$ —	$ 60	$ —	$ 60
United Kingdom government bonds	—	14	—	14
Corporate bonds	—	20	—	20

$ —	$ 94	$ —	$ 94

The plan's assets consist of investments in pooled funds that contain investments with values based on quoted market prices, but for which the pools are not valued on a daily quoted market basis (Level 2 inputs).

The overall investment strategy for pension plan assets is to utilize a total return investment approach whereby a mix of equity securities and fixed-income securities are used to produce a sufficient level of diversification and investment return over the long term for a prudent level of risk. Risk tolerance is established through consideration of plan demographics, plan liabilities, plan funded status and overall corporate financial condition. Consideration is also given to industry practices, long-term historical and prospective capital market returns, volatility, correlations among asset classes and relationships between the plan assets and liabilities. The assets are invested in liquid investments to satisfy benefit obligations as they become due. The investment portfolio contains a diversified blend of equity securities and fixed-income securities. As of January 31, 2011, the Company's target asset allocation was 60% and 40% of total plan assets for equity securities and fixed-income securities, respectively. However, a large portion of plan assets was held as cash at January 31, 2011 in anticipation of a transfer of plan assets and obligations to a successor contractor.

Cash Flows. In fiscal 2012, the Company expects to contribute approximately $6 million to the defined benefit pension plan. The estimated annual benefit payments, which reflect expected future service, as appropriate, are expected to be $3 million for each of the years in fiscal 2012 to 2016. Total estimated benefit payments for fiscal 2017 through 2021 are expected to be $16 million.

Other

The Company also sponsors a defined benefit pension plan for employees working on one U.S. Government contract. As part of the contractual agreement, the customer reimburses the Company for contributions made to the plan that are allowable under government contract cost accounting requirements. If the Company were to cease being the contractor as a result of a recompetition process, this defined benefit pension plan and related plan assets and liabilities would transfer to the new contractor. If the contract expires or is terminated with no transfer of the plan to a successor contractor, any amount by which plan liabilities exceed plan assets, as of that date, will be reimbursed by the U.S. Government customer. Since the Company is not responsible for the current or future funded status of this plan, no assets or liabilities arising from its funded status are recorded in the Company's consolidated financial statements and no amounts associated with this plan are included in the defined benefit plan disclosures above.

Note 10—Stock-Based Compensation:

Plan Summaries. At January 31, 2011, the Company had stock-based compensation awards outstanding under the following plans: the 2006 Equity Incentive Plan, the Management Stock Compensation Plan, the Stock Compensation Plan and the 2006 Employee Stock Purchase Plan (ESPP). The Company issues new shares upon the issuance of stock awards or exercise of stock options under these plans.

The 2006 Equity Incentive Plan provides the Company's and its affiliates' employees, directors and consultants the opportunity to receive various types of stock-based compensation and cash awards. As of January 31, 2011, the Company has issued stock options, vested stock awards, restricted stock awards, performance-based awards and cash awards under this plan. The 2006 Equity Incentive Plan provides that in the event of the Company's merger with or into another corporation, a sale of substantially all of its assets or another change of control transaction as determined by the plan administrator, the successor entity may assume or substitute all outstanding awards. If the successor entity does not assume or substitute all outstanding awards, the vesting of all awards will accelerate and any repurchase rights on awards will terminate. If a successor entity assumes or substitutes all awards and a participant is involuntarily terminated by the successor entity for any reason other than death, disability or cause within 18 months following the change of control, all outstanding awards of the terminated participant will immediately vest and be exercisable for a period of six months following termination. In the event of a change of control, the vesting of all awards held by non-employee directors of the Company will accelerate. Stock awards granted under the plan generally vest or become exercisable 20%, 20%, 20%, and 40% after one, two, three and four years, respectively. As of January 31, 2011, 121 million shares of the Company's stock were reserved for future issuance under the 2006 Equity Incentive Plan.

The Company has a Management Stock Compensation Plan and a Stock Compensation Plan, together referred to as the Stock Compensation Plans. The board of directors may at any time amend or terminate the Stock Compensation Plans. The Stock Compensation Plans provide for awards in share units to eligible employees. Benefits from these plans are payable in shares of the Company's stock that are held in a trust for the purpose of funding benefit payments to the plans' participants. The fair value of the awards granted under the Stock Compensation Plans, which are vesting share unit awards, is based on the fair value of the award on the date of grant. Compensation expense is measured at grant date and generally recognized over the vesting period of four or seven years depending upon the initial date of grant. For awards granted prior to January 1, 2006, participants' interests in these share units vest on a seven year schedule at the rate of one-third at the end of each of the fifth, sixth and seventh years following the date of the award. Awards granted on or after January 1, 2006 vest 100% after four years following the date of the award. Upon a change in control of the Company (as defined by the Stock Compensation Plans), participant accounts will become fully vested and shares of Company stock held in the accounts will be immediately distributed. The Stock Compensation Plans do not provide for a maximum number of shares available for future issuance.

The Company has an ESPP which allows eligible employees to purchase shares of the Company's stock at a discount of up to 15% of the fair market value on the date of purchase. During the three years ended January 31, 2011, the discount was 5% of the fair market value on the date of purchase thereby resulting in the ESPP being non-compensatory. As of January 31, 2011, 28 million shares were authorized and reserved for future issuance under the ESPP.

Stock-Based Compensation and Related Tax Benefits Recognized. Stock-based compensation and related tax benefits recognized under all plans were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Stock-based compensation expense:			
Stock options	**$ 20**	$ 31	$ 29
Vesting stock awards	**76**	71	64
Vested stock awards	**1**	1	1
Performance-based stock awards	**5**	3	—
Total stock-based compensation expense	**$ 102**	$ 106	$ 94
Tax benefits recognized from stock-based compensation	**$ 40**	$ 41	$ 37
Vested stock issued as settlement of annual bonus accruals	**$ 4**	$ 3	$ 3

Stock Options. Stock options may be granted with exercise prices no less than the fair value of the Company's common stock on the date of grant and for terms not greater than ten years. All stock options granted under the 2006 Equity Incentive Plan have a term of five years and a vesting period of four years, except for stock options granted to the Company's outside directors, which have a vesting period of one year. Stock options were granted with exercise prices equal to fair value on the date of grant.

The fair value of the Company's stock option awards is estimated on the date of grant using the Black-Scholes option-pricing model. The fair value of the Company's stock option awards is generally expensed on a straight-line basis over the vesting period of four years, except for stock options granted to the Company's outside directors in fiscal 2011, 2010 and 2009, which is recognized over the vesting period of one year. The expected term of all awards granted is derived from the Company's historical experience except for awards granted to the Company's outside directors in fiscal 2011, 2010 and 2009, for which the expected term of awards granted is derived utilizing the "simplified" method presented in SEC Staff Accounting Bulletin Nos. 107 and 110, "Share-Based Payment". Expected volatility is based on an average of the historical volatility of the Company's stock and the implied volatility from traded options on the Company's stock. The risk-free interest rate is based on the yield curve of a zero-coupon U.S. Treasury bond with a maturity equal to the expected term of the stock option on the date of grant. The Company uses historical data to estimate forfeitures.

The weighted average grant-date fair value and assumptions used to determine fair value of stock options granted for the three years ended January 31, 2011 were as follows:

	Year Ended January 31		
	2011	2010	2009
Weighted average grant-date fair value	**$ 3.96**	$ 4.79	$ 4.52
Expected term (in years)	**3.8**	3.9	3.9
Expected volatility	**25.1%**	30.6%	26.2%
Risk-free interest rate	**2.1%**	1.5%	2.3%
Dividend yield	**0%**	0%	0%

Stock option activity for the three years ended January 31, 2011 was as follows:

	Shares of stock under stock options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
	(in millions)		(in years)	(in millions)
Outstanding at January 31, 2008	53.5	$ 13.41	2.1	$ 294
Options granted	6.1	18.78		
Options forfeited or expired	(3.2)	13.27		
Options exercised	(16.5)	11.38		132
Outstanding at January 31, 2009	39.9	15.08	2.1	186
Options granted	5.5	18.41		
Options forfeited or expired	(3.0)	15.57		
Options exercised	(10.8)	13.22		57
Outstanding at January 31, 2010	31.6	16.26	2.0	66
Options granted	5.3	17.43		
Options forfeited or expired	(2.8)	16.14		
Options exercised	(9.1)	14.08		36
Outstanding at January 31, 2011	**25.0**	**17.31**	**2.1**	**11**
Vested and expected to vest in the future as of January 31, 2011	**23.6**	**17.28**	**2.0**	**11**

The following table summarizes activity related to exercises of stock options for the three years ended January 31, 2011 as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Cash received from exercises of stock options	**$ 6**	$ 17	$ 31
Stock exchanged at fair value upon exercises of stock options	**41**	116	156
Tax benefits realized from exercises of stock options	**17**	24	54

A summary of the options outstanding as of January 31, 2011 was as follows:

Range of exercise prices	Stock options outstanding	Weighted average exercise price	Weighted average remaining contractual term	Stock options exercisable	Weighted average exercise price	Weighted average remaining contractual term
	(in millions)		(in years)	(in millions)		(in years)
$14.50 to $16.00	5.9	$ 14.73	0.2	5.9	$ 14.72	0.2
$16.01 to $17.50	4.7	17.42	4.2	—	—	—
$17.51 to $19.00	14.0	18.28	2.2	5.8	18.19	1.9
$19.01 to $21.00	0.4	20.11	2.2	0.2	20.08	2.2
	25.0	**17.31**	**2.1**	**11.9**	**16.51**	**1.0**

The aggregate intrinsic value for options exercisable at January 31, 2011 was $11 million.

As of January 31, 2011, there was $25 million of unrecognized compensation cost, net of estimated forfeitures, related to stock options, which is expected to be recognized over a weighted-average period of 2.3 years.

Vesting Stock Awards. Compensation expense is measured at the grant date fair value and generally recognized over the vesting period of four years, or seven years for certain stock awards granted under the Stock Compensation Plans.

Vesting stock award activity for the year ended January 31, 2011 was as follows:

	Shares of stock under stock awards (in millions)	Weighted average grant-date fair value
Unvested at January 31, 2010	12.1	$ 18.60
Awards granted	4.5	17.38
Awards forfeited	(1.3)	18.11
Awards vested	(3.6)	19.13
Unvested at January 31, 2011	**11.7**	**18.03**

As of January 31, 2011, there was $95 million of unrecognized compensation cost, net of estimated forfeitures, related to vesting stock awards, which is expected to be recognized over a weighted average period of 2.3 years. The fair value of vesting stock awards that vested in fiscal 2011, 2010 and 2009 was $64 million, $55 million and $50 million, respectively.

Performance-Based Stock Awards. During the years ended January 31, 2011 and 2010, the Company granted performance-based stock awards to certain officers and key employees of the Company under the 2006 Equity Incentive Plan. These awards vest at the end of a three-year performance period based upon the achievement of specific pre-established levels of performance. The number of shares that will ultimately be awarded can range from zero to 150% of the specified target awards based on the achievement of cumulative growth in diluted EPS from continuing operations and operating income margin, weighted equally, over a three fiscal year period. Compensation expense for performance-based stock awards is recognized over the three-year performance period based on the expected level of achievement that will be obtained.

Performance-based stock award activity for the year ended January 31, 2011 was as follows:

	Expected number of shares of stock to be issued under performance-based stock awards (in millions)	Weighted average grant-date fair value
Outstanding at January 31, 2010	0.6	$ 18.35
Awards granted	0.6	17.45
Awards forfeited	(0.2)	18.01
Outstanding at January 31, 2011	**1.0**	**17.89**

Increases or decreases in the expected number of shares to be issued may occur due to changes in the expected level of achievement of the performance goals over the life of the awards.

As of January 31, 2011, there was $8 million of unrecognized compensation cost, net of estimated forfeitures, related to performance-based stock awards granted under the 2006 Equity Incentive Plan, which is expected to be recognized over a weighted average period of 1.7 years. As of January 31, 2011, there have been no vesting events for performance-based stock awards under the 2006 Equity Incentive Plan.

Note 11—Other Income (Expense), Net:

The components of other income (expense), net for the three years ended January 31, 2011 were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Impairment losses on investments	**$ (4)**	$ (1)	$ (14)
Net gain on sale of other investments	**5**	3	6
Equity interest in earnings and impairment losses on investments in unconsolidated affiliates, net	**—**	1	(9)
Other	**1**	3	2
Total other income (expense), net	**$ 2**	$ 6	$ (15)

In fiscal 2009, the Company recognized $29 million of impairment losses on its ownership interests in Danet GmbH and certain private equity securities held by its venture capital subsidiary. These impairments were due to other-than-temporary declines in their fair values caused by poor business performance, contraction in credit markets and general declines in global economic conditions. As of January 31, 2011, the carrying value of the Company's investments was $13 million.

Note 12—Income Taxes:

Income from continuing operations before income taxes for the three years ended January 31, 2011 included the following:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
United States	$ 874	$ 781	$ 696
Foreign	9	18	7
Total	$ 883	$ 799	$ 703

The provision for income taxes related to continuing operations for the three years ended January 31, 2011 included the following:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
Current:			
Federal	$ 259	$ 266	$ 196
State	48	48	38
Foreign	—	5	7
Deferred:			
Federal	8	(16)	15
State	(3)	(4)	—
Foreign	2	—	—
Total	$ 314	$ 299	$ 256

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate to income from continuing operations before income taxes for the three years ended January 31, 2011 follows:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
Amount computed at the statutory federal income tax rate (35%)	$ 309	$ 280	$ 246
State income taxes, net of federal tax benefit	29	28	25
Change in accruals for uncertain tax positions	(7)	3	(8)
Research and development credits	(8)	(6)	(5)
U.S. manufacturing activity benefit	(5)	(2)	(2)
Other	(4)	(4)	—
Total	$ 314	$ 299	$ 256
Effective income tax rate	35.6%	37.4%	36.4%

The lower effective tax rate for fiscal 2011 as compared to fiscal 2010 and 2009 was primarily due to the reversal of $7 million in accruals for unrecognized tax benefits as a result of the settlement of federal and state tax audits for amounts lower than the recorded accruals.

Deferred income taxes are recorded for differences in the basis of assets and liabilities for financial reporting purposes and tax reporting purposes. Deferred tax assets (liabilities) were comprised of the following:

	January 31	
	2011	2010
	(in millions)	
Accrued vacation and bonuses	$ 90	$ 91
Investments	11	13
Deferred compensation	47	44
Vesting stock awards	75	65
Credits and net operating losses carryovers	28	11
Employee benefit contributions	6	13
Other	32	31
Total deferred tax assets	289	268
Deferred revenue	(51)	(59)
Fixed asset basis differences	(21)	(10)
Purchased intangible assets	(119)	(60)
Total deferred tax liabilities	(191)	(129)
Net deferred tax assets, before valuation allowance	98	139
Valuation allowance	(2)	(2)
Net deferred tax assets	$ 96	$ 137

Net deferred tax assets were as follows:

	January 31	
	2011	2010
	(in millions)	
Net current deferred tax assets	$ 44	$ 34
Net non-current deferred tax assets	52	103
Total net deferred tax assets	$ 96	$ 137

At January 31, 2011, the Company had $49 million of federal net operating loss (NOL) carryforwards, which will expire in fiscal 2019 to 2030 and $9 million in state tax credits, which will expire in fiscal 2016 to 2020. The Company expects to fully utilize these NOL carryforwards and state tax credits before expiration.

The Company's unrecognized tax benefits are primarily related to certain recurring deductions customary for the Company's industry. The changes in the unrecognized tax benefits, excluding accrued interest and penalties were as follows:

	Year Ended January 31		
	2011	2010	2009
		(in millions)	
Unrecognized tax benefits at beginning of year	$ 44	$ 31	$ 53
Additions for tax positions related to current year	1	10	9
Additions for tax positions related to prior years	1	9	5
Reductions for tax positions related to prior years	(8)	(1)	(5)
Settlements with taxing authorities	(12)	—	(30)
Lapse of statute of limitations	(3)	(5)	(1)
Unrecognized tax benefits at end of year	$ 23	$ 44	$ 31
Unrecognized tax benefits that, if recognized, would affect the effective income tax rate	$ 17	$ 36	$ 23

In fiscal 2011 and 2009, the Company's unrecognized tax benefits decreased primarily due to the resolution of certain tax contingencies with the tax authorities, including $7 million that was recognized as an income tax benefit in fiscal 2011 and $26 million ($17 million of which was related to discontinued operations) that was recognized as an income tax benefit in fiscal 2009.

The amount of interest and penalties recognized in the consolidated statements of income was $1 million and $5 million in fiscal 2010 and 2009, respectively. A negligible amount of interest and penalties were recognized in the consolidated statements of income in fiscal 2011. At January 31, 2011 and 2010, accrued interest and penalties totaled $5 million and $7 million, respectively.

At January 31, 2011, the balance of unrecognized tax benefits included liabilities for uncertain tax positions of $26 million, $25 million of which is classified as other long-term liabilities on the consolidated balance sheet. The balance of unrecognized tax benefits at January 31, 2010 included liabilities for uncertain tax positions of $48 million, $34 million of which were classified as other long-term liabilities on the consolidated balance sheet.

The Company files income tax returns in the United States and various state and foreign jurisdictions and is subject to routine compliance reviews by the Internal Revenue Service (IRS) and other taxing authorities. The Company has effectively settled with the IRS for fiscal years prior to and including fiscal 2008. Effective fiscal 2011, the Company is participating in the IRS Compliance Assurance Process, in which the Company and the IRS endeavor to agree on the treatment of all tax positions prior to the tax return being filed, thereby greatly reducing the period of time between tax return submission and settlement with the IRS.

During the next 12 months, it is reasonably possible that resolution of reviews by taxing authorities, both domestic and international, could be reached with respect to $6 million of the Company's unrecognized tax benefits including $3 million of previously accrued interest, depending on the timing of ongoing examinations, any litigation and expiration of statute of limitations, either because the Company's tax positions are sustained on audit or because the Company agrees to their disallowance and pays the related income tax. While the Company believes it has adequate accruals for uncertain tax positions, the tax authorities may determine that the Company owes taxes in excess of recorded accruals or the recorded accruals may be in excess of the final settlement amounts agreed to by tax authorities.

Note 13—Comprehensive Income and Accumulated Other Comprehensive Loss:

The components of comprehensive income (loss) were as follows for the years presented:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Net income	**$ 618**	$ 497	$ 452
Other comprehensive income (loss):			
Foreign currency translation adjustments	**(1)**	15	(26)
Deferred taxes	**—**	(4)	10
Foreign currency translation adjustments, net of tax	**(1)**	11	(16)
Reclassification of realized loss on settled derivative instruments to net income	**1**	—	2
Deferred taxes	**—**	—	(1)
Reclassification of realized loss on settled derivative instruments to net income, net of tax	**1**	—	1
Pension liability adjustments	**16**	(8)	(15)
Deferred taxes	**(5)**	2	4
Pension liability adjustments, net of tax	**11**	(6)	(11)
Total other comprehensive income (loss), net of tax	**11**	5	(26)
Comprehensive income	**$ 629**	$ 502	$ 426

The Company sponsors a defined benefit pension plan in the United Kingdom for plan participants that primarily performed services on a specific customer contract, which expired in March 2010. As of January 31, 2011, the pension plan had an underfunded projected benefit obligation of $20 million and an unrecognized actuarial loss (pre-tax) of $34 million. In April 2010, plan participants then performing services on the contract transferred to a successor contractor. These transfers gave rise to a curtailment gain, resulting in a reduction in the unrecognized actuarial loss (a component of accumulated other comprehensive loss) in the amount of $8 million (pre-tax) during fiscal 2011.

The components of accumulated other comprehensive loss were as follows:

	January 31	
	2011	2010
	(in millions)	
Foreign currency translation adjustments, net of taxes of $2 million as of January 31, 2011 and 2010	**$ (3)**	$ (2)
Unrecognized net loss on settled derivative instruments associated with outstanding debt, net of taxes of $4 million as of January 31, 2011 and 2010	**(5)**	(6)
Unrecognized loss on defined benefit plan, net of taxes of $9 million and $14 million as of January 31, 2011 and 2010, respectively	**(25)**	(36)
Total accumulated other comprehensive loss, net of taxes of $15 million and $20 million as of January 31, 2011 and 2010, respectively	**$(33)**	$(44)

As of January 31, 2011, $1 million of the unrealized net loss on settled derivative instruments (pre-tax) will be amortized and recognized as interest expense during the next 12 months.

Note 14—Leases:

The Company occupies most of its facilities under operating leases. Most of the leases require the Company to pay maintenance and operating expenses such as taxes, insurance and utilities and also contain renewal options to extend the lease and provisions for periodic rate escalations to reflect inflationary increases. Certain equipment is leased under short-term or cancelable operating leases. Rental expense for facilities and equipment for each of the three years ended fiscal January 31, 2011 were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Gross rental expense	**$ 179**	$ 161	$ 147
Less lease and sublease income	**(23)**	(15)	(12)
Net rental expense	**$ 156**	$ 146	$ 135

In fiscal 2004, the Company was awarded a contract with the Greek Government (Note 18) that requires the Company to lease certain equipment under an operating lease from a subcontractor for ten years. The terms of the customer contract and lease agreement provide that if the customer defaults on its payments to the Company to cover the future lease payments, then the Company is not required to make the lease payments to the subcontractor. Consequently, the maximum contingent lease liability of $46 million related to this contract at January 31, 2011 is not reflected in the future minimum lease commitments table below.

Future minimum lease commitments and lease or sublease receipts under non-cancelable operating leases in effect at January 31, 2011 are as follows:

Year Ending January 31	Operating lease commitment	Lease or sublease receipts
	(in millions)	
2012	$ 139	$ 8
2013	115	8
2014	91	6
2015	75	4
2016	62	4
2017 and thereafter	172	42
Total	$ 654	$ 72

As of January 31, 2011, the Company had capital lease obligations of $7 million that are payable over the next five years.

Note 15—Supplementary Income Statement and Cash Flow Information:

Supplementary income statement information for the years presented were as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Depreciation and amortization expense for property, plant and equipment and assets acquired under capital leases	**$ 70**	$ 66	$ 59
Internal research and development costs included in selling, general and administrative expenses	**$ 55**	$ 49	$ 46
Amortization expense for finite-lived intangible assets	**$ 41**	$ 27	$ 30
Impairment losses for goodwill	**$ —**	$ —	$ 2
Impairment losses for intangible assets	**$ —**	$ 6	$ 3

The impairment losses for goodwill and intangible assets recognized in fiscal 2009 was reflected in discontinued operations.

Supplementary cash flow information, including non-cash investing and financing activities, for the years presented was as follows:

	Year Ended January 31		
	2011	2010	2009
	(in millions)		
Increase (decrease) in accrued stock repurchases	$ (17)	$ 24	$ (6)
Fair value of assets acquired in acquisitions	$ 470	$ 314	$ 224
Cash paid in acquisitions, net of cash acquired of $10 million, $8 million and $5 million in fiscal 2011, 2010 and 2009, respectively	(382)	(256)	(201)
Non-cash consideration	—	(3)	—
Accrued acquisition payables, net	(4)	(10)	(9)
Liabilities assumed in acquisitions	$ 84	$ 45	$ 14
Cash paid for interest	$ 71	$ 71	$ 77
Cash paid for income taxes	$ 361	$ 273	$ 269

Note 16—Business Segment Information:

The Company defines its reportable segments based on the way the chief operating decision maker (CODM) manages the operations within the Company for the allocation of resources, decision making and performance assessment.

Using the management approach, the Company has three reportable segments: Government, Commercial, and Corporate and Other. The Company's operating business units are aggregated into the Government or Commercial segments, depending on the nature of the customers served, the contractual requirements and the regulatory environment governing the business unit's operations. The Corporate and Other segment includes the operations of the Company's internal real estate management subsidiary, various corporate activities and certain corporate expense items that are not reimbursed by the Company's U.S. Government customers. In addition, in certain circumstances, for management purposes as determined by the CODM, certain revenue and expense items related to operating business units are excluded from the evaluation of a business unit's operating performance and are reflected in the Corporate and Other segment.

Business units in the Government segment provide technical services and products through contractual arrangements as either a prime contractor or subcontractor to other contractors, primarily for departments and agencies of the U.S. Government. Operations in the Government segment are subject to specific regulatory accounting and contracting guidelines such as U.S. Government Cost Accounting Standards (CAS) and Federal Acquisition Regulations. The Commercial segment's business unit provides technical services and products primarily to customers in commercial markets and its operations are generally not subject to specific regulatory accounting or contracting guidelines.

Certain corporate expenses are reflected in segment operating income based on agreed-upon allocations to the business units or as required by CAS. Asset information by segment is not a key measure of performance used by the CODM. Interest income, interest expense and provision for income taxes, as reported in the consolidated financial statements, are not part of operating income and are primarily recorded at the corporate level. From time to time, certain operations may be transferred between the Company's Government and Commercial segments with prior year amounts adjusted for consistency with the current year's presentation and for discontinued operations.

The intersegment elimination consisted of revenues recognized by certain operating business units within the Government and Commercial segments for consulting and information technology services provided to the Company's Corporate and Other segment.

The following tables summarize business segment information for the years presented:

	Year Ended January 31					
		2011		2010		2009
			(in millions)			
Revenues:						
Government segment	**$**	**10,743**	$	10,390	$	9,582
Commercial segment		**381**		462		491
Intersegment elimination		**(7)**		(6)		(3)
Total revenues	**$**	**11,117**	$	10,846	$	10,070
Operating income (loss):						
Government segment	**$**	**964**	$	862	$	773
Commercial segment		**18**		35		36
Corporate and Other segment		**(24)**		(30)		(33)
Total operating income	**$**	**958**	$	867	$	776
Depreciation and amortization:						
Government segment	**$**	**106**	$	88	$	76
Commercial segment		**5**		5		3
Corporate and Other segment		**—**		—		10
Total depreciation and amortization	**$**	**111**	$	93	$	89

Substantially all of the Company's revenues and tangible long-lived assets are generated by or owned by entities located in the United States. As such, the financial information by geographic location is not presented.

The Company's total revenues are largely attributable to prime contracts with the U.S. Government or to subcontracts with other contractors engaged in work for the U.S. Government. The percentages of total revenues for the U.S. Government, its agencies and other customers comprising more than 10% of total revenues for the years presented were as follows:

	Year Ended January 31		
	2011	2010	2009
U.S. Government	**89%**	89%	88%
U.S. Army	**23%**	23%	24%
U.S. Navy	**13%**	12%	12%

Note 17—Discontinued Operations:

The Company's results of discontinued operations for fiscal year 2011, 2010 and 2009 primarily related to the sale of the Company's former subsidiary Telcordia Technologies, Inc. (Telcordia), which was completed in fiscal 2006. In March 2001, Telcordia instituted arbitration proceedings against a customer, Telkom South Africa, as a result of a contract dispute. Pursuant to the definitive stock purchase agreement for the fiscal 2006 sale of Telcordia, the Company was entitled to receive the net proceeds from any settlement after deduction for tax liabilities incurred by Telcordia. In July 2010, Telcordia and Telkom South Africa settled all claims related to these arbitration proceedings. Under the settlement, Telkom South Africa paid $80 million plus amounts for value added taxes (VAT). In fiscal 2011, the Company and Telcordia subsequently executed an agreement which resolved matters related to the Telkom South Africa settlement and certain other contingencies related to the fiscal 2006 sale of Telcordia. The Company recorded after-tax gains of $49 million in discontinued operations related to these actions during the year ended January 31, 2011. The Company also sold a non-strategic component of a business within the Government segment in fiscal 2010. The operating results of the discontinued operations prior to sale for fiscal 2010 and 2009 were not material.

Subsequent to January 31, 2011, in order to better align its business portfolio with its strategy, the Company committed to a plan to sell the portion of its Commercial Business Services business unit that is focused on providing specialized information technology services to international oil and gas companies. The Commercial Business Services business unit is in the Company's Commercial segment. The operating results of this business and any resulting gain on sale will be included in discontinued operations commencing with the first quarter of fiscal 2012. As of January 31, 2011, total assets and liabilities of the business to be disposed of included in the consolidated balance sheet were approximately $55 million and $30 million, respectively.

Note 18—Legal Proceedings:

National Center for Critical Information Processing and Storage Contract

In June 2009, the U.S. Department of Justice filed a complaint against the Company and several other defendants in the U.S District Court for the Southern District of Mississippi relating to the solicitation and award of a task order to provide information technology support services to the National Center for Critical Information Processing and Storage run by the Naval Oceanographic Command Major Shared Resource Center (MSRC) located at the Stennis Space Center in Mississippi. This matter originated with a lawsuit filed under seal by a former government employee pursuant to the *qui tam* provisions of the civil False Claims Act. The Company was awarded the task order at issue in April 2004. The Justice Department's complaint alleges that prior to the release of the task order solicitation, the Company's employees and other eventual teammates met with government employees and obtained non-public information not provided to other potential bidders for this work, or received such information in advance of other bidders, giving the Company and its team an unfair advantage in competing for the task order. The complaint further alleges that the former MSRC director and deputy director took actions calculated to favor the Company in the bidding process. In its complaint, the government seeks approximately $116 million in damages, which represents the aggregate amount of all payments received by the Company under this task order, plus the trebling of such damages and penalties under the False Claims Act.

The Company cooperated with the government's investigation of this matter since the government initially contacted the Company in September 2006. The Company also conducted its own internal review of the allegations made by the government. Based on the Company's internal review, discussions with the government and the results of discovery, the Company believes the government's claims lack merit and intends to vigorously defend itself against the allegations raised in the complaint. Discovery in the case has been re-opened and extended until February 2011 for the limited purpose of allowing the defendants to take additional depositions of the plaintiffs' proposed expert witnesses. The Company and each of the co-defendants have filed pending motions for summary judgment on various grounds. The court has set the case for trial in August 2011. Due to the complex nature of the legal and factual issues involved in this case, the outcome is uncertain. The Company has recorded a liability for an insignificant amount related to this matter as of January 31, 2011. However, there is a reasonable possibility of additional exposure to loss estimated to be up to approximately $230 million, representing the amount of the trebling of the claim for damages minus the value received by the customer, plus penalties. As the case progresses, many factors will affect the ultimate amount of the potential loss if the Company is not successful in its defense of this lawsuit, including the outcome of pre-trial motions, and the court's rulings on certain legal issues, such as the applicable measure of damages. An adverse outcome could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows.

Greek Government Contract

Background and Arbitration. In May 2003, the Company entered into a firm-fixed-price contract with the Hellenic Republic of Greece (the Customer) to provide a Command, Control, Communications, Coordination and Integration System (the System) to support the 2004 Athens Summer Olympic Games (the Olympics) and to serve as the security system for the Customer's public order departments following completion of the Olympics. The System was to be completed, tested, and accepted by September 2004, at a price of approximately $199 million. The contract also requires the Company to provide five years of System support and maintenance and ten years of radio network services and contains an unpriced option for an additional five years of network services.

The Customer took delivery of the System for use and operation during the Olympics which began in August 2004. The Customer performed acceptance testing on each of the subsystems comprising the System and alleged certain omissions and deviations in its test reports. The Company and the Customer executed contract modifications in March and September 2007 which established and clarified specific requirements and other contract terms.

In November 2008, the Customer accepted the System in writing pursuant to the requirements of the modified contract. At the time, the Customer determined that the System substantially complied with the terms of the contract and accepted the System with certain alleged minor omissions and deviations. The Customer valued the omissions and deviations at $28 million, and the modified contract established a process for negotiating the final amount of the omissions and deviations. Approximately $1 million of this amount relates to work performed directly by the Company and the balance relates to work performed by the Company's subcontractors. Upon System acceptance, the Company invoiced the Customer for approximately $19 million, representing the undisputed portion of the contract balance owed to the Company. The Customer has not paid this final invoice or reduced the advance payment and performance bonds as required by the modified contract, and has refused to initiate the contractually required process to resolve the remaining alleged omissions and deviations.

In June 2009, the Company initiated arbitration before the International Chamber of Commerce against the Customer seeking redress for these breaches of contract by the Customer. The Company seeks (i) aggregate damages in excess of $96 million for payment of amounts owed and other claims and damages, (ii) recovery of advance payment and performance bond amounts totaling $26 million and (iii) costs and expenses associated with the arbitration. The Customer filed an answer to the complaint denying liability on various grounds. In April 2010, the Customer filed a supplementary answer asserting set-off claims against amounts sought by the Company and issued a letter purporting to disapprove of its November 2008 acceptance of the System. Due to the complex nature of the legal and factual issues involved, the outcome of the arbitration is uncertain.

Financial Status and Contingencies. As a result of the significant uncertainties on this contract, the Company converted to the completed-contract method of accounting and ceased recognizing revenues for the System development portion of this contract in fiscal 2006. No profits or losses were recorded on the Greek contract during the years ended January 31, 2011, 2010 and 2009. As of January 31, 2011, the Company has recorded $123 million of losses under the Greek contract, reflecting the Company's estimated total cost to complete the System, assuming the Greek contract value was limited to the cash received to date. Based on the complex nature of this contractual situation and the difficulties encountered to date, significant uncertainties exist and the Company is unable to reliably estimate the ultimate outcome. The Company may reverse a portion of the losses from the Greek contract if it receives future payments as required under the modified Greek contract.

The Company has $16 million of receivables relating to VAT as of January 31, 2011 that the Company has paid and believes it is entitled to recover either as a refund from the taxing authorities or as a payment under the Greek contract. The Company has invoiced the Customer for $34 million for VAT and the Customer has failed to make payment. If the Customer fails to pay the outstanding VAT amounts or the Company is unable to recover the amount as a refund from the taxing authorities, the Company's total losses on the Greek contract could increase.

The Company has met certain advance payment and performance bonding requirements as discussed above through the issuance of euro-denominated standby letters of credit. In May 2010, the Customer issued a letter purporting to terminate the portion of the contract relating to delivery of the System and to confirm the Company's ongoing obligations to provide network services and System support and maintenance under the contract. Shortly thereafter, the Customer drew, and the Company funded, $26 million on the Company's standby letters of credit relating to the delivery of the System. As of January 31, 2011, there were $7 million in standby letters of credit outstanding relating to the support and maintenance of the System. The Company is seeking recovery of the amounts drawn by the Customer on the standby letters of credit in the ongoing arbitration. The principal subcontractor has provided to the Company euro-denominated standby letters of credit in the amount of $26 million as of January 31, 2011, of which $20 million relates to the delivery of the System. The Company may draw on the subcontractor's standby letters of credit under certain circumstances by providing a statement to the responsible bank that the subcontractor has not fulfilled its obligations under the subcontract. The Company continues to believe that the loss recorded to date is sufficient to account for the ultimate outcome of this contractual situation and therefore no additional loss is expected to be recorded as a result of the draw on the standby letters of credit.

Additionally, Siemens AG (Siemens), the parent corporation of the Company's principal subcontractor, has been subject to a number of investigations focusing on alleged improper payments to government officials and political parties in a number of countries, including Greece. The scope of the Greek government's investigation includes allegations that (i) improper payments were made by Siemens in connection with the Greek contract and (ii) the Company/Siemens team misrepresented to the Greek State prior to contract award its technical capabilities and ability to perform the Greek contract within the contractual performance period. The Company has taken a number of actions to determine that it had no involvement in any improper payments that may have been made by Siemens in connection with the Greek contract. In January 2011, the Greek Parliament released a report that includes allegations regarding Siemens' improper payments in Greece in connection with a number of contracts, including the Greek contract. The report does not allege that the Company had knowledge or participated in any improper payments by Siemens. If the Greek government's investigation ultimately determines that improper payments were made in connection with the Greek contract, or that the Company/Siemens team misrepresented its technical capabilities, the legal compliance and political issues that this would raise could impact the Company's subcontractor's ability to perform the subcontract and the Company's ability to perform the Greek contract. This could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows.

Nuclear Regulatory Commission

The U.S. Department of Justice filed a lawsuit against the Company in September 2004 in the U.S. District Court for the District of Columbia alleging civil False Claims Act violations and breach of contract by the Company on two contracts that the Company had with the Nuclear Regulatory Commission (NRC). The complaint alleges that the Company's performance of several subcontracts on separate U.S. Department of Energy (DOE) programs, the participation of a Company employee in an industry trade association, and certain other alleged relationships created organizational conflicts of interest under the two NRC contracts. The Company disputes that the work performed on the DOE programs and the alleged relationships raised by the government created organizational conflicts of interest. In July 2008, the jury found in favor of the government on the breach of contract and two False Claims Act counts. The jury awarded a nominal amount of $78 in damages for breach of contract and $2 million in damages for the False Claims Act claims. The judge entered the judgment in October 2008, trebling the False Claims Act damages and awarding a total of $585,000 in civil penalties. The Company appealed to the U.S. Court of Appeals for the District of Columbia Circuit. In December 2010, the Court of Appeals affirmed the District Court's judgment as to both liability and damages of $78 on the breach of contract count and vacated the judgment on the False Claims Act counts, including the aggregate damages and penalties. The Court of Appeals remanded the False Claims Act counts to the District Court for further proceedings. The Company has recorded a liability for an insignificant amount related to this matter as of January 31, 2011, based on its assessment of the likely outcome of this matter.

Other

The Company is also involved in various claims and lawsuits arising in the normal conduct of its business, none of which, in the opinion of the Company's management, based upon current information, will likely have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Note 19—Other Commitments and Contingencies:

VirnetX, Inc.

In fiscal 2007, the Company transferred several patents to VirnetX, Inc. In return, the Company received certain license rights and the right to receive, subject to certain caps and other limitations, royalties on VirnetX sales and a percentage of the consideration received in certain acquisitions and in patent infringement or enforcement claims against certain third parties, including Microsoft Corporation.

In May 2010, VirnetX and Microsoft entered into a settlement and license agreement to settle all claims asserted by VirnetX against Microsoft in two lawsuits. Under the agreement, Microsoft made a one-time payment to VirnetX of $200 million in cash in exchange for dismissal of both lawsuits and VirnetX granting to Microsoft a worldwide, irrevocable, nonexclusive, non-sublicensable fully paid up license under VirnetX's patents. Under the Company's agreements with VirnetX, the Company was entitled to receive 35% of the proceeds from the settlement of litigation with Microsoft after reduction for out-of-pocket costs, including legal fees and expenses, of VirnetX and the Company incurred in connection with the litigation. During fiscal 2011, the Company received a royalty payment of $56 million in connection with this agreement, which was recognized as revenue, and reimbursement of approximately $3 million of legal fees and costs it incurred in connection with the litigation. The Company also paid $2 million as a royalty to the customer for which it developed some of the patented technologies to satisfy the Company's obligation under the initial customer contract.

DS&S Joint Venture

In March 2006, the Company sold its interest in DS&S, a joint venture in which the Company owned a 50% interest. As part of the sale, the Company agreed to indemnify the purchaser for certain legal costs and expenses, including those related to a government investigation involving DS&S and any litigation resulting from that investigation up to the sum of the sales price of $9 million plus $1 million received by the Company in repayment of a loan owed by DS&S. As of January 31, 2011, the Company has deferred the potential $9 million gain on this sale pending resolution of the indemnification obligation.

Other Joint Ventures

The Company has a guarantee that relates only to claims brought by the sole customer of its joint venture, Bechtel SAIC Company, LLC, for specific contractual nonperformance of the joint venture. The Company also has a cross-indemnity agreement with the joint venture partner, pursuant to which the Company will only be ultimately responsible for the portion of any losses incurred under the guarantee equal to its ownership interest of 30%. As of January 31, 2011, the joint venture had completed performance requirements on the customer contract and was in the process of completing contract close-out activities. Based on current conditions, the Company believes the likelihood of having to make any future payment related to the guarantee is remote.

In conjunction with a contract award to one of the Company's joint ventures, Research and Development Solutions, LLC (RDS), each of the three joint venture partners were required to sign a performance guarantee agreement with the U.S. Government. Under this agreement, the Company unconditionally guarantees all of RDS's obligations to the U.S. Government under the contract award, which has a total estimated value of approximately $350 million. The Company also has a cross-indemnity agreement with each of the other two joint venture partners to protect it from liabilities for any U.S. Government claims resulting from the actions of the other two joint venture partners and to limit the Company's liability to its share of the contract work. As of January 31, 2011, the joint venture had completed performance requirements on the customer contract and was in the process of completing contract close-out activities. Based on current conditions, the Company believes the likelihood of having to make any future payment related to the guarantee is remote.

Acquisition Indemnification Claims

Following the closing of an acquisition in December 2006, the Company identified several potential indemnification claims against the sellers. The claims against the sellers include the failure of the acquired company to comply with certain terms of contracts with the U.S. Government that required the acquired company in certain circumstances to provide price reductions for goods and services if it charged other customers a price lower than the prices it charged the U.S. Government at the time of contract award (the price reductions claims). The Company has disclosed this apparent non-compliance by the acquired company to the government and is fully cooperating with the government's ongoing review of the matter. In October 2010, the Company and the sellers signed an agreement to settle all outstanding indemnification claims, except for the price reductions claims. Following the settlement, the Company continues to have its indemnification rights relating to the price reductions claims in accordance with the acquisition agreement and an escrow fund is being maintained as security for these claims. Based on its current expectations, the Company believes that it has adequate recourse against the sellers for any expected liability to the government that may result from the price reductions claims.

Government Investigations and Reviews

The Company is routinely subject to investigations and reviews relating to compliance with various laws and regulations, including those associated with organizational conflicts of interest, with respect to its role as a contractor to agencies and departments and in connection with performing services in countries outside of the United States. Adverse findings in these investigations or reviews can lead to criminal, civil or administrative proceedings and the Company could face penalties, fines, repayments or compensatory damages. Adverse findings could also have a material adverse effect on the Company's business, consolidated financial position, results of operations and cash flows due to its reliance on government contracts.

U.S. Government agencies, including the Defense Contract Audit Agency (DCAA) and others, routinely audit and review a contractor's performance on government contracts, indirect rates and pricing practices, and compliance with applicable contracting and procurement laws, regulations and standards. They also review the adequacy of the contractor's compliance with government standards for its accounting and management internal control systems, including: control environment and overall accounting system, general information technology system, budget and planning system, purchasing system, material management and accounting system, compensation system, labor system, indirect and other direct costs system, billing system and estimating system. Significant audits currently underway include the Company's control environment and overall accounting, billing, and indirect and other direct cost systems, as well as reviews of the Company's compliance with certain U.S. Government Cost Accounting Standards. In addition, the Company changed its indirect rate structure used in its indirect cost system and its direct labor bid structure used for its estimating system for fiscal 2011 and future years. These changes are currently being reviewed by the DCAA.

Both contractors and the U.S. Government agencies conducting these audits and reviews have come under increased scrutiny. For example, it was determined that the audit procedures the DCAA used in reviewing some of the Company's systems and other government contractors systems were not in compliance with the requirements of Generally Accepted Government Auditing Standards. As a result, in April and July 2009, the DCAA rescinded its most recent audit reports on the Company's accounting, billing, and indirect and other direct cost systems issued in 2005 and 2006. The current audits and reviews have become more rigorous and the standards to which the Company is held are being more strictly interpreted, increasing the likelihood of an audit or review resulting in an adverse outcome. During the course of its current audits, the DCAA is closely examining and questioning several of the Company's long established and disclosed practices that it had previously audited and accepted, increasing the uncertainty as to the ultimate conclusion that will be reached. A finding of significant control deficiencies in the Company's system audits can result in decremented billing rates to its U.S. Government customers until the control deficiencies are corrected and accepted. In addition, due to uncertainty created by the lack of timely completion of system and other audits, the Company has agreed to an insignificant downward adjustment to its provisional billing rates pending resolution of such uncertainty.

Government audits and reviews may conclude that the Company's practices are not consistent with applicable laws and regulations and result in adjustments to contract costs and mandatory customer refunds. Such adjustments can be applied retroactively, which could result in significant customer refunds. The Company's receipt of adverse audit findings or the failure to obtain an "adequate" determination of, its various accounting and management internal control systems, including changes to its indirect cost and direct labor estimating systems, from the responsible U.S. Government agency could significantly and adversely affect its business, including its ability to bid on new contracts and its competitive position in the bidding process. A determination of non-compliance with applicable contracting and procurement laws, regulations and standards could also result in the U.S. Government imposing penalties and sanctions against the Company, including withholding of payments, suspension of payments and increased government scrutiny that could delay or adversely affect the Company's ability to invoice and receive timely payment on contracts, perform contracts or compete for contracts with the U.S. Government.

The Company's indirect cost audits by the DCAA have not been completed for fiscal 2005 and subsequent fiscal years. Although the Company has recorded contract revenues subsequent to fiscal 2004 based upon an estimate of costs that the Company believes will be approved upon final audit or review, the Company does not know the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed the Company's estimates, its profitability would be adversely affected. As of January 31, 2011, the Company has recorded a liability of $30 million for its current best estimate of net amounts to be refunded to customers for potential adjustments from such audits or reviews of contract costs incurred subsequent to fiscal 2004.

Tax Audits and Reviews

The Company files income tax returns in the United States and various state and foreign jurisdictions and is subject to routine compliance reviews by the IRS and other taxing authorities. The Company has effectively settled with the IRS for fiscal years prior to and including fiscal 2008. Effective fiscal 2011, the Company is participating in the IRS Compliance Assurance Process, in which the Company and the IRS endeavor to agree on the treatment of all tax positions prior to the tax return being filed, thereby greatly reducing the period of time between tax return submission and settlement with the IRS. Future and ongoing reviews could have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows (Note 12).

The Company is subject to periodic audits by government agencies for taxes other than income taxes. The Company does not believe that the outcome of any other such tax matters would have a material adverse effect on its consolidated financial position, results of operations, cash flows.

Letters of Credit and Surety Bonds

The Company has outstanding letters of credit aggregating to $52 million at January 31, 2011, principally related to guarantees on contracts with foreign government customers. Of the total outstanding letters of credit, $7 million was related to certain advance payment and performance bonding requirements on a firm-fixed-price contract with the Greek government. The Company also has outstanding surety bonds in the amount of $319 million, principally related to performance and payment bonds.

Other

The DoD is in the process of restructuring one of the Company's largest programs, Army Brigade Combat Team Modernization. As a result of this restructuring, certain efforts associated with the program were terminated for convenience by the U.S. Department of Defense in July 2009 and January 2010. The Company received an undefinitized change order which required the Company to submit a restructure proposal. The Company submitted its restructure proposal to its prime contractor in April 2010 and the prime contractor submitted its restructure proposal to the customer in May 2010. The Company continues to perform on this program in accordance with the revised scope of work under a reduced provisional billing rate that allows the Company to receive a lesser amount of the projected fee until the contract negotiations are completed. The Company has recognized revenues of approximately $339 million from October 2009 through January 31, 2011 under the undefinitized change order. The future volume and profitability of this program is dependent on the outcome of the change order negotiations.

The Company maintains self-insured medical and workers compensation insurance plans. The Company provided estimated accruals for claims incurred but not yet reported of $37 million and $34 million as of January 31, 2011 and 2010, respectively.

Note 20—Selected Quarterly Financial Data (Unaudited):

Selected unaudited financial data for each quarter of the last two fiscal years was as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share amounts)			
Fiscal 2011				
Revenues	**$ 2,685**	**$ 2,794**	**$ 2,869**	**$ 2,769**
Operating income	**$ 207**	**$ 273**	**$ 258**	**$ 220**
Income from continuing operations	**$ 125**	**$ 158**	**$ 154**	**$ 132**
Income from discontinued operations	**$ —**	**$ 31**	**$ 18**	**$ —**
Net income	**$ 125**	**$ 189**	**$ 172**	**$ 132**
Basic earnings per share(1)	**$ .32**	**$ .50**	**$ .46**	**$ .36**
Diluted earnings per share(1)	**$ .32**	**$ .50**	**$ .46**	**$ .36**
Fiscal 2010				
Revenues	$ 2,649	$ 2,749	$ 2,765	$ 2,683
Operating income	$ 204	$ 221	$ 233	$ 209
Income from continuing operations	$ 117	$ 125	$ 135	$ 123
Loss from discontinued operations	$ (1)	$ (2)	$ —	$ —
Net income	$ 116	$ 123	$ 135	$ 123
Basic earnings per share(1)	$ .29	$ .31	$ .34	$ .31
Diluted earnings per share(1)	$ .28	$ .31	$ .34	$ .31

(1) Earnings per share are computed independently for each of the quarters presented and therefore may not sum to the total for the fiscal year.

Exhibit 10.9

Science Applications International Corporation

401(k) EXCESS DEFERRAL PLAN

(Effective as of January 1, 2011)

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ARTICLE I

TITLE AND DEFINITIONS

1.1 Title.

This Plan shall be known as the "Science Applications International Corporation 401(k) Excess Deferral Plan."

1.2 Definitions.

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

"Account" or "Accounts" shall mean a Participant's Deferral Account and Matching Account. The Committee may establish such additional accounts or subaccounts as it deems necessary for the proper administration of the Plan. Accounts are established under the Plan for recordkeeping purposes only, and do not contain or represent actual assets.

"Annual 401(k) Matching Amount" shall mean the amount of the Company's matching contribution credited to a Participant's account in the 401(k) Plan for a Plan Year.

"Beneficiary" or "Beneficiaries" shall mean the person or persons, including a trustee, personal representative or other fiduciary, who have been designated by the Participant to receive the benefits specified hereunder in the event of the Participant's death. The Participant shall make such designation on a form provided by the Committee or on such terms and conditions as the Committee may prescribe for a Beneficiary designation. No such Beneficiary designation shall become effective until it is filed with the Committee. Such Beneficiary designation shall thereafter remain in effect with respect to this Plan until a new Beneficiary designation is filed with the Committee pursuant to the terms hereof. A Participant may from time to time change his or her designated Beneficiary or Beneficiaries without the consent of such Beneficiary or

Beneficiaries by filing a new designation in writing with the Committee. If the designated Beneficiary does not survive the Participant, or if there is no valid Beneficiary designation, amounts payable under the Plan shall be paid to the Participant's spouse, or if there is no surviving spouse, then to the duly appointed and currently acting personal representative of the Participant's estate. If there is no personal representative of the Participant's estate duly appointed and acting in that capacity within 60 days after the Participant's death, then all payments due under the Plan shall be payable to the person or persons who can verify by affidavit or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder pursuant to the laws of intestate succession or other statutory provisions in effect at the Participant's death in the state in which the Participant resided. In the event any amount is payable under this Plan to a minor, payment shall not be made to the minor, but instead shall be paid (i) to that person's living parent(s) to act as custodian, (ii) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (iii) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers of Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited or made with the court having jurisdiction over the estate of the minor.

"Board of Directors" or "Board" shall mean the Board of Directors of Science Applications International Corporation, or SAIC, Inc., its parent corporation.

"Change in Control" of the Company shall mean the following for purposes of this Plan and shall be deemed to occur if any "person," (as defined in Section 3(a)(9) of the Exchange Act), other than the Company, any subsidiary or any employee benefit plan or trust maintained by the Company or subsidiary becoming the beneficial owners (as defined in Rule 13d-3 under the Exchange Act), directly to indirectly, of more than 35% of the common stock of SAIC, Inc. outstanding at such time, without the prior approval of the Board. For purposes of the foregoing, a subsidiary is any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations, other than the last corporation in such chain, owns at least fifty percent (50%) of the total voting power in one of the other corporations in such chain. The above definition of Change in Control shall be applied in accordance with Code Section 409A.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the committee composed of such members as shall be appointed from time to time by the Board to administer the Plan.

"Company" shall mean Science Applications International Corporation (or SAIC, Inc., its parent corporation). In addition, unless the context indicates otherwise, as used in this Plan the term Company shall also mean and include any direct or indirect subsidiary of the Company which has been approved by the Board for participation in this Plan by its employees. Upon and after a Change in Control Event, Company shall include any successor to Science Applications International Corporation or SAIC, Inc. or a substantial portion of their assets.

"Deferral Account" shall mean the bookkeeping account maintained by the Company on behalf of a Participant who elects to defer his or her Salary in cash under this Plan pursuant to Section 3.1.

"Eligible Employee" shall mean a highly compensated employee of the Company who has been selected by the Board to participate in this Plan. The Board shall limit Eligible Employee status to a select group of management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA. The Board may make its determination of Eligible Employees by establishing eligibility criteria such as title or compensation level.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"401(k) Plan" means the Science Applications International Corporation Retirement Plan as it may be amended from time to time.

"Investment Funds" shall mean the deemed investments established by the Committee under Section 4.3 for the purpose of determining the investment gains and losses to be credited to Accounts.

"Participant" shall mean any Eligible Employee who elects to defer a portion of his or her Salary in accordance with Section 3.1 and who satisfies the participation requirements of Article II.

"Plan" shall mean the Science Applications International Corporation 401(k) Excess Deferral Plan set forth herein, as it may be amended from time to time. This Plan constitutes an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA.

"Matching Account" shall mean the bookkeeping account maintained by the Company on behalf of each Participant pursuant to Section 4.2 to reflect the Participant's interest in the Plan attributable to the Company's matching credits.

"Plan Year" shall mean each 12 consecutive month period beginning on January 1.

"Salary" shall mean the amount of compensation paid as salary by the Company during a calendar year by reason of services performed by a Participant reflected as "wages, tips, other compensation" on the Participant's Form(s) W-2 for such year; plus

(i) Elective deferrals under Code Section 402(g)(3), catch-up contributions under Code Section 414(v), and amounts contributed under Code Sections 125 and 132(f) by the Company at the Participant's election that are not included in the Participant's gross income (but only to the extent such deferrals and contributions were made by reducing salary otherwise payable to the Participant); plus

(ii) Any compensation paid as salary which, but for Code Section 3401(a)(8)(A) (dealing with the Code Section 911 exclusion and income subject to foreign withholding) would be required to be reflected as "wages, tips, other compensation" on the Participant's Form(s) W-2; less

(iii) Any compensation paid by reason of services performed during any period in which an employee is not a Participant; overtime pay (which shall be deemed to include base pay and premium pay for time worked in excess of a normal day or week); bonuses; commissions; and amounts reflecting reimbursed expenses or fringe benefits (including any amount relating to the grant or exercise of stock options, disposition of shares through exercise of options, payment of dividends on non-vested stock, payments representing dividends or dividend equivalents on stock units or stock rights, and any distributions from a plan of deferred compensation) which have been included as "wages, tips, compensation" on the Participant's Form(s) W-2.

"Separation from Service" means, the death, retirement or termination of the Eligible Employee's employment with the Company, whether voluntarily or involuntarily. This definition of Separation from Service shall be interpreted and construed in a manner intended to comply with Section 409A of the Code and Treasury Regulation Section 1.409A-1(h).

"Trust" shall mean a grantor trust established and funded by the Company for the purpose of satisfying some or all of the Company's obligations under the Plan.

"Trustee" shall mean the trustee of the Trust.

ARTICLE II

PARTICIPATION

2.1 Participation.

Elective deferrals under this Plan are voluntary. Only Eligible Employees may participate in this Plan. An Eligible Employee shall become a Participant in this Plan by electing to defer a portion of his or her Salary in accordance with Article III. Notwithstanding anything else contained herein to the contrary, an Eligible Employee shall be permitted to defer a portion of his or her Salary to this Plan during a particular Plan Year only after the Eligible Employee is prohibited from making any additional elective deferrals to the 401(k) Plan during such Plan Year because the elective deferrals (a) would exceed the amount specified in Section 402(g) of the Code, (b) would cause the 401(k) Plan to fail to satisfy the limitation of Code Section 401(k)(3), or would increase the margin by which the 401(k) Plan fails to satisfy the limitation of Code Section 401(k)(3), or (c) would otherwise exceed the maximum elective deferrals permitted under the terms of the 401(k) Plan.

An Eligible Employee who is eligible to make catch-up contributions (as described in Code Section 414(v)) under the 401(k) Plan shall be permitted to defer compensation under this Plan for a Plan Year only if the Eligible Employee satisfies the requirements of this Article II and has made all such catch-up contributions under the 401(k) Plan for such Plan Year.

ARTICLE III

DEFERRAL ELECTIONS

3.1 Deferral Elections.

(a) Salary Deferral Elections. The Committee shall notify each Eligible Employee of his or her eligibility to participate in the Plan. An Eligible Employee's elections to participate may be made by electronic means in accordance with rules and procedures established by the Committee.

(b) No Bonus Deferrals. Notwithstanding any other provision herein, no Eligible Employee shall be permitted to defer any bonus under this Plan.

(c) Timing of Deferral Election. To participate through the deferral of Salary for any Plan Year, an Eligible Employee must file an election in accordance with procedures established by the Committee no later than the date in the preceding Plan Year determined by the Committee. Such date shall precede the first day of the Plan Year during which the deferral election shall be effective for the deferral of Salary.

(d) Newly Hired Employee. An Eligible Employee whose employment with the Company commences during a Plan Year shall not be permitted to participate until the first day of the following Plan Year.

(e) Method of Deferral. Each deferral election shall specify the portion of the Eligible Employee's Salary that he or she elects to defer. An election to defer Salary for a Plan Year shall apply to all Salary earned during each pay period that ends during such Plan Year.

(f) Amount of Deferrals. The amount of Salary that an Eligible Employee may elect to defer is any percentage (in 1% increments) up to 20%; provided, however, that no election shall be effective to reduce the Salary payable to an Eligible Employee for a calendar year to an amount which is less than the amount that the Company is required to withhold from such Eligible Employee's Salary for such calendar year for purposes of federal, state and local (if any) income tax, employment tax (including without limitation Federal Insurance Contributions Act (FICA) tax), and other tax withholdings. Deferral of the percentage of Salary elected by the Eligible Employee shall commence with the pay period following the pay period in which the Eligible Employee's elective deferrals under the 401(k) Plan for the Plan Year reach the limit on elective deferrals under Section 402(g) of the Code (increased, if applicable, by the limit on catch-up contributions under Section 414(v) of the Code). Notwithstanding the foregoing, the Committee may determine that deferrals for the 2011 Plan Year shall not commence before the pay period in 2011 determined by the Committee. Such determination, if any, shall be irrevocably made and documented in writing no later than December 31, 2010, and such writing shall be considered part of this Plan document.

(g) Duration of Deferral Election. Any deferral election made under paragraphs (c) or (d) shall remain in effect and, except as provided in Subsection 3.1(h), be irrevocable, notwithstanding any change in the Participant's Salary, for the entire Plan Year for which it is effective. A new deferral election must be made for each subsequent Plan Year prior to the commencement of such subsequent Plan Year.

(h) Emergency Cessation of Deferrals. Notwithstanding anything else contained herein to the contrary, a Participant may discontinue his or her Salary deferrals under the Plan at any time if the Committee determines that the Participant has an Unforeseeable Emergency as defined in Section 6.3(b), or a hardship distribution from the 401(k) Plan pursuant to Treasury Regulation 1.401(k)-1(d)(3). Such discontinuance of deferrals will remain in effect for the remainder of the current Plan Year.

3.2 Coordination with 401(k) Plan Election.

Participants shall make separate elections of the percentage deferrals under this Plan and the 401(k) Plan.

ARTICLE IV

ACCOUNTS

4.1 Deferral Account.

The Committee shall establish and maintain a Deferral Account for each Participant under the Plan. Notwithstanding anything else contained herein to the contrary, the Committee and the administrator of the 401(k) Plan shall have full power and authority to determine whether amounts of the Participant's Salary that the Participant elected to be deferred to the 401(k) Plan for a Plan Year will instead be deferred under this Plan or not deferred under either this Plan or the 401(k) Plan.

Subject to the requirements of Article II, as soon as administratively practical after submission of each pay period report, the Plan's recordkeeper shall credit the Participant's Deferral Account with an amount equal to the portion of Salary deferred by the Participant during the pay period in accordance with the Participant's election under Sections 3.1 and 3.2; that is, the portion of the Participant's Salary that the Participant has elected to be deferred and has been determined by the Committee to be deferred under his or her Deferral Account.

4.2 Matching Account.

The Committee shall establish and maintain a Matching Account for each Participant who receives a matching credit under the Plan. Subject to the requirements of Article II, as soon as administratively practical after submission of the final pay period report for each Plan Year, for any Participant who continues to be an Eligible Employee on the last day of the Plan Year, the Plan's recordkeeper shall credit a Participant's Matching Account with an amount, if any, equal to the difference between his or her actual Annual 401(k) Matching Amount and the amount the Annual 401(k) Matching Amount would have been had Participant not deferred his or her Salary under this Plan for the Plan Year.

4.3 Investment of Accounts.

(a) Separate Investment Funds shall be established under this Plan. The Committee may, in its discretion, terminate any Investment Fund. The Committee shall determine the number of Investment Funds, and the Committee or its delegate shall determine the investments to be made under the Investment Funds.

(b) Pursuant to rules established by the Committee, each Participant shall have the right and obligation to designate in which of the Investment Funds his or her Accounts will be deemed to be invested for purposes of determining the investment gain (or loss) to be credited to his or her Accounts. Pursuant to rules established by the Committee, a Participant may change the designation made under this Section 4.3 and/or transfer an amount deemed to be invested in one Investment Fund to another Investment Fund by filing an election with the Committee, on a form and in a manner prescribed by the Committee, prior to any deadline that may be established by the Committee. If a Participant does not make an election with respect to the investment of his or her Account, the Participant shall be deemed to have elected a default Investment Fund determined by the Committee. The Committee may establish other rules, regulations and procedures regarding the Investment Funds as it deems appropriate in its sole discretion.

(c) Investment Funds are designated only for the purpose of determining the investment gains and losses to be credited on Participants' Accounts. Neither the Company nor the Trust is required to make actual investments corresponding to such Investment Funds.

ARTICLE V

VESTING

5.1 <u>Vesting</u>.

(a) Deferral Account. A Participant's Deferral Account shall be 100% vested at all times.

(b) Matching Account. The Participant's Matching Account shall vest as follows:

Years of Service	**Vested Interest**
Less than one year	0%
One year but less than two years	20%
Two years but less than three years	40%
Three years but less than four years	60%
Four years but less than five years	80%
Five years or more	100%

A "Year of Service" is any calendar year in which a Participant completes at least 850 hours of service for the Company, including service in years prior to the establishment of this Plan.

Notwithstanding the above schedule, a Participant's Matching Account shall become 100% vested if, during a Participant's period of employment with the Company (including periods while on an approved leave of absence, or, in the case of the Participant's death while performing qualified military service' as defined in Section 414(u) of the Code), there is a Change in Control, the Participant dies, is Disabled (as determined under the 401(k) Plan), reaches age 59-1/2 or is judicially declared to be incompetent. Any amount not vested upon a Participant's Separation from Service is immediately forfeited.

ARTICLE VI

DISTRIBUTIONS

6.1 Distribution of Accounts.

(a) Time of Distribution. Distribution of a Participant's Accounts under the Plan shall be made (or if installments are paid under § 6.1(b)(ii), shall commence to be made) within 90 days following his or her Separation from Service or as soon as administratively feasible thereafter. Notwithstanding the foregoing, if any stock of the Company is publicly traded on an established securities market, the distribution to any Participant who is a "specified employee" under Code Section 409A(a)(1)(B)(i) shall not be made (or commence to be made in the case of installment payments) before the earlier of (i) the date which is six months after such Participant's Separation from Service or (ii) the date of the Participant's death. For any twelve month period commencing April 1 and ending March 31, an Eligible Employee is a "specified employee" if the Eligible Employee was a "key employee" at any time during the calendar year ending before such April 1. A key employee is defined in Code Section 416(i) without regard to Code Section 416(i)(5).

(b) Manner of Distribution. The amount to be paid to the Participant shall be the entire vested amount credited to the Participant's Accounts.

(i) Amounts shall be paid in cash in a lump sum and valued as of the date the amount of the distribution is determined.

(ii) Notwithstanding Section 6.1(b)(i) above, if elected by the Participant prior to his or her participation in the Plan, the Participant shall receive his or her payment in the form of annual installments, over a period not to exceed 10 years. If a Participant dies during the payout period, any amounts remaining in the Participant's

Accounts shall be paid in a lump sum as soon as administratively practical to the Participant's Beneficiary.

(iii) Except as set forth in this Section, a Participant's election of form of distribution shall be irrevocable. Each of the forms of distribution set forth in Sections 6.1(b)(i) and (ii) shall be considered a single payment for purposes of Code Section 409A. Accordingly, Participants shall be allowed to make a new form of distribution election, provided that the following requirements are satisfied:

(a) The election does not take effect until at least twelve months after the date the election is made, and the election must be made at least twelve months prior to the date the first payment would be made to the Participant absent the election;

(b) The commencement date of the first payment to the Participant shall be five years following the date the payment would have commenced absent the change in the Participant's election; and

(c) No Participant may make more than one new form of distribution election.

Any attempt to change a payout election that does not satisfy these requirements shall be void.

6.2 Inability to Locate Participant.

In the event that the Committee is unable to locate a Participant or Beneficiary within two years following the date the Participant was to commence receiving payment or delivery pursuant to Section 6.1 the entire amount allocated to the Participant's Accounts shall be forfeited. Furthermore, if any benefit payment (by check or other form of payment) to a

Participant or Beneficiary remains uncashed or unclaimed for two years following its delivery to the last known address of the Participant or Beneficiary, the amount of such benefit payment shall be forfeited. Any forfeited amount shall immediately become the property of the Company. If, after such forfeiture, the Participant or Beneficiary later claims such benefit, such benefit shall be reinstated without interest or earnings, from the date of the forfeiture. The distribution of such benefits shall thereafter be made in the manner determined by the Committee.

6.3 Unforeseeable Emergencies.

(a) General. A Participant (or former Participant or Beneficiary) may request a distribution from the vested portion of his or her Account for an Unforeseeable Emergency without penalty. Such distribution for an Unforeseeable Emergency shall be subject to approval by the Committee and may be made only to the extent reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). A distribution for an Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved (1) through reimbursement or compensation by insurance or otherwise, (2) by liquidation of the Participant's (or Beneficiary's) assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (3) by cessation of deferrals under this Plan. The Committee may require that the Participant (or Beneficiary) provide a written representation that any such distribution satisfies the requirements set forth in this Section 6.3(a).

(b) Definition of Unforeseeable Emergency. An "Unforeseeable Emergency" with respect to a Participant shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary or the Participant's dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case and in all events must constitute an "unforeseeable emergency" within the meaning of Section 409A. The purchase of a home and the payment of college tuition would typically not be considered to be Unforeseeable Emergencies.

(c) Administrative Provisions for Withdrawals. Distributions under this Section 6.3 shall first be made from the Deferral Account and after it is exhausted, from the vested portion of the Matching Account. Such distributions will be made as soon as administratively practical following the Participant's submission of a completed withdrawal form.

6.4 Distributions on Death.

In the event of the death of a Participant, the Participant's Accounts shall be paid to the Participant's Beneficiary in a lump sum as soon as administratively practical following the Participant's death.

6.5 Change in Control.

Upon a Change in Control at the Company, all Accounts shall be distributed as soon as administratively practical after the Change in Control. Following a Change in Control, no amendment or termination of the Plan shall adversely affect any benefits earned by Participants prior to the amendment or termination.

6.6 Incapacity.

If the Committee shall find that any person to whom any payment is payable under this Plan is unable to care for his or her affairs because of illness or accident, a payment due (unless a prior claim therefore shall have been made by a duly appointed guardian or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any custodian, conservator or other fiduciary responsible for the management and control of such person's financial affairs in such manner and proportions as the Committee may determine. Any such payment shall, to the extent thereof, discharge of the liabilities of the Company to the Participant or Beneficiary under this Plan.

6.7 Construction.

For purposes of this Article VI, a payment shall be considered to have been made "as soon as administratively practical after" a particular date only if it is made within ninety (90) days after that date.

ARTICLE VII

CLAIMS PROCEDURE AND ARBITRATION

7.1 Claims Procedure and Arbitration.

(a) The Committee shall establish procedures for action upon claims initially made and the communication of a decision to the claimant promptly and, in any event, not later than sixty (60) days after the date of the claim; the claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such sixty (60) day period. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (1) the specific reason or reasons for the denial, (2) specific reference to any provisions of this Plan on which denial is based, (3) description of any additional material or information necessary for the claimant to perfect his claim with an explanation of why such material or information is necessary, and (4) an explanation of the procedure for further reviewing the denial of the claim under the Plan. The Committee shall establish a procedure for review of claim denials, such review to be undertaken by the Committee. The review given after denial of any claim shall be a full and fair review with the claimant or his duly authorized representative having one hundred eighty (180) days after receipt of denial of his claim to request such review, having the right to review all pertinent documents and the right to submit issues and comments in writing. The Committee shall establish a procedure for issuance of a decision by the Committee not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of this Plan on which the decision is based.

(b) Any person disputing a decision of the Committee shall submit such dispute to binding arbitration pursuant to the rules of the American Arbitration Association, to be held in San Diego County. In any arbitration with respect to a decision or action of the Committee taken before a Change in Control, the losing party in such arbitration proceedings shall bear the costs of arbitration, and each party shall bear its own attorneys' fees. In any arbitration with respect to a decision or action of the Committee taken after a Change in Control, the Company shall bear the costs of arbitration (other than attorneys' fees), and the arbitrator may make an award of attorneys' fees; any such award shall be made according to the then-prevailing standards for judicial awards of attorneys' fees applicable to civil actions brought under the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE VIII

ADMINISTRATION

8.1 Committee.

The Committee shall be appointed by, and serve at the pleasure of, the Board of Directors.

8.2 Committee Action.

The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The chairman of the Committee (the "Chairman") or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee.

8.3 Powers and Duties of the Committee.

Subject to Section 8.4, the Committee, on behalf of the Participants and their Beneficiaries, shall enforce this Plan in accordance with its terms, shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

(a) Prior to a Change in Control, to construe and interpret the terms and provisions of the Plan; provided that upon and after a Change in Control, the Committee's interpretation or construction (and any previous interpretation or construction of the Committee) shall be reviewed on a de novo basis;

(b) To compute and certify to the amount and kind of benefits payable or deliverable to Participants and their Beneficiaries;

(c) To maintain all records that may be necessary for the administration of this Plan;

(d) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(e) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan as are not inconsistent with the terms hereof;

(f) To appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of this Plan as the Committee may from time to time prescribe; and

(g) To direct the Trustee concerning the performance of various duties and responsibilities under the Trust.

8.4 Interpretation of Plan.

Prior to the occurrence of a Change in Control, the Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary. The Committee shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to this Plan. Notwithstanding the foregoing, after the occurrence of a Change in Control, no deference shall be given to the Committee's construction or interpretation (or the

Committee's prior interpretation or construction) of the Plan and any such construction or interpretation shall be reviewed under a de novo standard of review.

In making any determination or in taking or not taking any action under this Plan, the Committee, or the Board, as the case may be, may obtain and may rely upon the advice of experts, including professional advisors to the Company. No director, officer or agent of the Company shall be liable for any such action or determination taken or made or omitted in good faith.

8.5 Plan Construction.

It is the intent of the Company that a Participant's deferrals of Salary and matching contributions under the Plan shall not be considered conditioned on the Participant's participation in the 401(k) Plan in accordance with Treasury Regulation Section 1.401(k)-1(e)(6)(iv), and this Plan shall be interpreted consistent with such intent.

8.6 Information.

To enable the Committee to perform its functions, the Company shall, upon request of the Committee, supply full and timely information to the Committee on all matters relating to the Salary of all Participants, their death, or other cause of termination, and such other pertinent facts as the Committee may require.

8.7 Compensation, Expenses and Indemnity.

(a) The Committee is authorized at the expense of the Company to employ such legal counsel and administrative services as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of this Plan shall be paid by the Company.

(b) To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to this Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

ARTICLE IX

MISCELLANEOUS

9.1 Unsecured General Creditor.

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company. No assets of the Company shall be held under any trust (other than a grantor trust within the meaning of Section 671, et. seq. of the Code), or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. The Company's obligation under this Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors.

9.2 No Employment Contract.

Nothing contained in this Plan (or in any other documents related to this Plan) shall confer upon any Eligible Employee or other Participant any right to continue in the employ or other service of the Company or constitute any contract or agreement of employment or other service, nor shall interfere in any way with the right of the Company to change such person's compensation or other benefits or to terminate the employment of such person, with or without cause.

9.3 Restriction Against Assignment.

The Company shall pay all amounts payable hereunder only to the person or persons designated by this Plan and not to any other person or corporation. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from this Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

9.4 Withholding.

The Company shall satisfy any state or federal income or other tax withholding obligation arising upon distribution of a Participant's Accounts. The Participant shall pay or provide for payment in cash of the amount of any taxes which the Company may be required to withhold with respect to the benefits hereunder. Without limiting the Company's authority to satisfy the withholding obligation from other sources, the Company may satisfy any withholding requirements with respect to the Plan by withholding wages, salary or bonus amounts otherwise payable to Participants.

9.5 Amendment, Modification, Suspension or Termination.

The Committee may amend, modify or suspend this Plan in whole or in part, except that (i) no amendment, modification or suspension shall have any retroactive effect to reduce any amounts allocated to Participants' Accounts, and (ii) Section 4.3 may not be amended, modified or suspended so as to, with respect to any amounts credited to the Accounts as of the date of such amendment, reduce the amount of investment gains to be credited to Participants' Accounts in accordance with Section 4.3. The Committee may terminate and liquidate this Plan and distribute all vested benefits hereunder in accordance with the requirements of Treasury Regulation 1.409A-3(j)(4)(ix)(A), (B) or (C) promulgated under Section 409A of the Code (or any similar successor provision), which regulation generally provides that a deferred compensation arrangement such as this Plan may be terminated within twelve (12) months following a dissolution or change in control of the Company or may be terminated if the Company also terminates all other similar deferred compensation arrangements and distributes all benefits under this Plan not less than twelve (12) months and not more than twenty-four (24) months following such termination. The Committee may, in its discretion, accelerate the vesting of any or all Participants' Accounts under this Plan in connection with any such Plan termination and liquidation.

9.6 Governing Law.

Except to the extent preempted by ERISA or other applicable federal law, this Plan shall be construed, governed and administered in accordance with the laws of the State of California.

9.7 Receipt or Release.

Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee and the Company. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment or delivery, to execute a receipt and release to such effect.

9.8 Headings, etc. Not Part of Agreement.

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

9.9 Section 409A.

To the extent that this Plan is subject to Section 409A of the Code, this Plan shall be construed and interpreted to the maximum extent reasonably possible to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. If any portion of a Participant's Account balance under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to comply with the requirements of Section 409A of the Code and related Treasury Regulations, the Committee may determine that such Participant shall receive a distribution from this Plan in an amount equal to the lesser of (i) the portion of his or her Account balance required to be included in income as a result of the failure of this Plan to comply with the requirements of Section 409A of the Code and related Treasury Regulations, or (ii) the Participant's unpaid vested Account balance.

This Science Applications International Corporation 401(k) Excess Deferral Plan is hereby adopted by Science Applications International Corporation effective January 1, 2011.

SCIENCE APPLICATIONS
INTERNATIONAL CORPORATION
By: ______________________________

Lucy K. Moffitt
Vice President & Director of Retirement Programs

SAIC, INC.

2006 EQUITY INCENTIVE PLAN
NONSTATUTORY STOCK OPTION AGREEMENT

BY ACCEPTING THE OPTION DESCRIBED IN THIS AGREEMENT, YOU VOLUNTARILY AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND IN THE PLAN.

SAIC, Inc., a Delaware corporation (the "**Company**"), hereby grants an option (the "**Option**") to purchase shares of its Common Stock, $0.0001 par value per share, ("**Stock**"), to the participant named in the Grant Summary (as defined below) ("**Optionee**"). Certain specific details of the award of this Option, including Option Shares, Option Price and Grant Date, may be found in the Grant Summary and are hereby incorporated by reference into this Agreement. The terms and conditions of the Option are set forth in this Agreement and in the Company's 2006 Equity Incentive Plan, as amended (the "**Plan**").

1. **DEFINITIONS.** The following terms shall have the meanings as defined below. Capitalized terms used herein and not defined shall have the meanings attributed to them in the Plan.

"**Administrator**" shall have the meaning as defined in the Plan.

"**Affiliate**" shall mean a "parent" or "subsidiary" (as each is defined in Section 424 of the Code) of the Company and any other entity that the Board or Committee designates as an "Affiliate" for purposes of this Plan.

"**Cause**" shall have the meaning as defined in the Plan.

"**Committee**" shall have the meaning as defined in the Plan.

"**Executive Officer**" shall mean an officer of the Company designated as such for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

"**Expiration Date**" shall have the meaning as defined in Section 3 below.

"**Fair Market Value**" shall have the meaning as defined in the Plan.

"**Grant Date**" shall mean the date of the award of this Option as set forth in the Grant Summary.

"**Grant Summary**" shall mean the summary of this award as reflected in the electronic stock plan award administration system maintained by the Company or its designee that contains a link to this Agreement (which summary information is set forth in the appropriate records of the Company authorizing such award).

"**Option Price**" shall mean the exercise price per Option Share applicable to this Option set forth in the Grant Summary.

"**Option Shares**" shall mean the number of shares of Stock issuable upon exercise of the Option as set forth in the Grant Summary.

"**Permanent Disability**" shall mean the status of disability determined conclusively by the Committee based upon certification of disability by the Social Security Administration or upon such other proof as the Committee may require, effective upon receipt of such certification or other proof by the Committee.

"**Special Retirement**" shall mean: (i) retirement by the Optionee after reaching age 59 $^1/_2$ with at least ten (10) years of service with the Company or an Affiliate; or (ii) retirement by the Optionee after reaching age 59 $^1/_2$ and Optionee's age plus years of service with the Company or an Affiliate equals at least 70; or (iii) if Optionee is an Executive Officer at the time of retirement, retirement after reaching the applicable mandatory retirement age by the Optionee, regardless of years of service with the Company or (iv) if the Optionee is a director of the Company, retirement by the Optionee either (A) after reaching the applicable mandatory retirement age at retirement or (B) at the end of a term of office if Optionee is not nominated for a successive term of office on account of the fact that Optionee would have reached the applicable mandatory retirement age during such successive term of office, regardless of years of service with the Company. For Special Retirement purposes, years of service shall mean the period of service determined conclusively by the Committee.

2. **GRANT OF OPTION; NUMBER OF SHARES; OPTION PRICE.** The Company hereby grants to Optionee an Option to purchase all or any part of the Option Shares at the Option Price.

3. **TERM OF OPTION.** This Option shall terminate upon the earlier to occur of: (i) seven (7) years from the Grant Date (the "**Expiration Date**"); or (ii) the expiration of the applicable period following the occurrence of any of the events specified in Section 5 hereof. The Company shall have no obligation to provide Optionee with notice of termination or expiration of this Option.

4. **EXERCISE OF OPTION.**

4.1 **General Schedule of Vesting and Exercisability.** Subject to the terms of the Plan and this Agreement, this Option shall vest and become exercisable in accordance with the following schedule:

a) The Option may not be exercised in whole or in part at any time prior to the first- year anniversary of the Grant Date.

b) The Option may be exercised as to 20% of the Option Shares after the first-year anniversary of the Grant Date.

c) The Option may be exercised as to an additional 20% of the Option Shares after the second-year anniversary of the Grant Date.

d) The Option may be exercised as to an additional 20% of the Option Shares after the third-year anniversary of the Grant Date.

e) The Option may be exercised as to the remaining 40% of the Option Shares after the fourth-year anniversary of the Grant Date.

If the application of the foregoing vesting schedule results in a fraction of an Option Share becoming exercisable, such fractional share shall be deemed not to be exercisable. However, the rights to exercise the Option, as specified in the preceding schedule, shall be cumulative so that 20% of the Option Shares shall be exercisable after the first-year anniversary of the Grant Date; 40% of the Option Shares shall be exercisable after the second-year anniversary of the Grant Date; 60% of the Option Shares shall be exercisable after the third-year anniversary of the Grant Date; and 100% of the Option Shares shall be exercisable after the fourth-year anniversary of the Grant Date. Optionee may purchase all, or from time to time, any part of the maximum number of Option Shares which are then exercisable. Except as set forth in Section 4.4 below, this Option shall be exercisable only by Optionee.

4.2 **General Terms of Exercise.** Subject to the terms of the Plan and this Agreement, the Option shall be exercised pursuant to procedures established by the Committee, which may include electronic or voice procedures as may be specified by the Committee and which may include a requirement to acknowledge this Agreement prior to exercise. Acceptable forms and methods of payment to exercise the Option may include (i) by cashier's check, money order or wire transfer; (ii) by a cashless exercise procedure; or (iii) by tendering shares of Common Stock of the Company acceptable to the Committee valued at their Fair Market Value as of the date of exercise.

4.3 **Treatment of Special Retirement.**

a) If Optionee is an Executive Officer and has met the provisions of subsection (iii) of the definition of the term "Special Retirement" in Section 1 above, or if Optionee is a director of the Company and has met the provisions of subsection (iv) of the definition of the term "Special Retirement" in Section 1 above, the right to exercise this Option shall continue to vest and be exercisable in accordance with the schedule set forth in Section 4.1 above.

b) If Optionee has met the provisions of subsection (i) or (ii) of the definition of the term "Special Retirement" in Section 1 above, the right to exercise this Option shall continue to vest and be exercisable in accordance with the schedule set forth in Section 4.1 above, but only if Optionee has held this Option at least twelve (12) months prior to the date of such Special Retirement.

4.4 **Treatment of Death or Permanent Disability.** Notwithstanding anything to the contrary herein, if Optionee is an employee, director or consultant of the Company or an Affiliate and ceases to be affiliated with the Company or any Affiliate as a result of Optionee's death or Permanent Disability, or if Optionee's death or Permanent Disability occurs following a Special Retirement, any unvested portion of this Option shall accelerate and become fully exercisable. Following Optionee's death, this Option may be exercised only by the executor or administrator of the Optionee's estate or, if there is none, the person entitled to exercise the Option under Optionee's will or the laws of descent and distribution. Following Optionee's termination of affiliation as a result of Optionee's Permanent Disability, if a guardian or conservator has been appointed to act for Optionee and been granted this authority as part of that appointment, that guardian or conservator may exercise this Option on behalf of Optionee.

4.5 **Treatment of Leave of Absence.** If Optionee is an employee of the Company or an Affiliate and is on a leave of absence pursuant to the terms of the Company's Administrative Policy No. SH-1 "Working Hours and Absences" or similar policy maintained by an Affiliate, as such policies may be revised from time to time, Optionee shall not, during the period of such absence be deemed, by virtue of such absence alone, to have terminated Optionee's employment. Optionee shall continue to vest in this Option during any approved medical or military leave of absence. Medical leave shall include family or medical leaves, workers' compensation leave, or pregnancy disability leave. For all other leaves of absence, this Option will vest only during active employment and shall not vest during a leave of absence, unless required under local law. However, if Optionee returns to active employment with the Company or an Affiliate following such a leave, this Option will be construed to vest as if there had been no break in active employment. During any leave of absence, Optionee shall have the right to exercise the vested portion of this Option provided that such exercise occurs prior to the Expiration Date.

5. **TERMINATION OF OPTION; EVENTS IMPACTING ABILITY TO EXERCISE OPTION.**

5.1 **Termination of Affiliation.** If Optionee is an employee, director or consultant of the Company or an Affiliate and ceases to be affiliated with the Company or an Affiliate for any reason other than death, Special Retirement, Permanent Disability or Cause, Optionee may exercise this Option within the ninety (90) day period following such cessation of affiliation, but only to the extent that this Option was exercisable at the date of such cessation of affiliation and Optionee's rights to exercise the Option have not been suspended as of the date of such cessation of affiliation. This Option shall terminate on the earlier to occur of the expiration of such ninety (90) day period or the Expiration Date.

5.2 **Termination for Cause.** If Optionee is an employee, director or consultant of the Company or an Affiliate and is terminated for Cause as determined by the Administrator of the Plan, this Option and all of Optionee's rights with respect thereto shall immediately terminate on the date of such termination.

5.3 **Termination for Breach of Obligation**. Notwithstanding the right of Optionee to continued vesting upon Special Retirement under Section 4.3 above, the Company shall have the right to terminate the unvested portion of this Option at any time if Optionee violates the terms of his or her inventions, copyright and confidentiality agreement with the Company or an Affiliate or breaches his or her other contractual or legal obligations to the Company or an Affiliate, including the non-solicitation obligations set forth in Section 12 of this Agreement ("**Breach of Obligation**"). If the Company terminates the unvested portion of this Option during Special Retirement as a result of Optionee's Breach of Obligation, Optionee may exercise this

Option within the earlier of the ninety (90) day period following such termination or the Expiration Date, but only to the extent that this Option was exercisable at the date of such termination.

5.4 **<u>Termination of Unexercised Options</u>.** If any portion of the Option is not exercised by the earlier of: (i) the end of the applicable period specified in Sections 5.1, 5.2 or 5.3 or (ii) the Expiration Date, any such unexercised portion and all of Optionee's rights with respect thereto shall terminate.

6. **TAX WITHHOLDING.** If the Company or any Affiliate is required to withhold any federal, state, local or other taxes upon the exercise of this Option, Optionee shall remit an amount sufficient to satisfy any applicable tax withholding requirement in a form of payment satisfactory to the Administrator or the Committee, which may include by cashier's check, money order or wire transfer or by the Company's withholding Stock issued upon exercise of this Option to pay the required withholding. If the Company withholds Stock, the Fair Market Value of the Stock withheld, as determined as of the date of withholding, shall not exceed the minimum rates required by law.

7. **RESTRICTIONS UNDER SECURITIES LAW.** All shares of Stock covered by this Agreement are subject to any restrictions which may be imposed under applicable state and federal securities laws and are subject to obtaining all necessary consents which may be required by, or any condition which may be imposed in accordance with, applicable state and federal securities laws or regulations.

8. **INCORPORATION OF PLAN.** The Option granted hereby is granted pursuant to the Plan, all the terms and conditions of which are hereby made a part hereof and are incorporated herein by reference. In the event of any inconsistency between the terms and conditions contained herein and those set forth in the Plan, the terms and conditions of the Plan shall prevail.

9. **RECOUPMENT OF AWARDS.** The Human Resources and Compensation Committee of the Company's Board of Directors adopted a recoupment policy on June 18, 2009 (the "**Policy**"), that may require members of senior management to return incentive compensation if there is a material restatement of the financial results upon which the compensation was originally based. The Policy also provides for recovery of incentive compensation from any employee involved in fraud or intentional misconduct, whether or not it results in a restatement of the Company's financial results. Optionee acknowledges and agrees that the Policy applies to the Option and that any payments or issuances of Stock with respect to the Option are subject to recoupment pursuant to the Policy. This Agreement shall be deemed to include the restrictions imposed by the Policy.

10. **EMPLOYMENT AT WILL.**

10.1 If Optionee is an employee or consultant of the Company or an Affiliate, such employment or affiliation is not for any specified term and may be terminated by employee or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Agreement (including, but not limited to, the right to exercise this Option pursuant to the schedule set forth in Section 4 herein), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall (i) confer upon Optionee any right to continue in the employ of, or affiliation with, the Company or an Affiliate, (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation, (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan or (iv) deprive the Company of the right to terminate Optionee at will and without regard to any future vesting opportunity that Optionee may have.

10.2 Optionee acknowledges and agrees that the right to exercise this Option pursuant to the schedule set forth in Section 4 is earned only by continuing as an employee or consultant at the will of the Company or as a director (not through the act of being hired, being granted this Option or any other Option, award or benefit or acquiring shares hereunder) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). Optionee acknowledges and agrees that such a reorganization could result in the termination of Optionee's relationship as an employee or consultant to the Company or an Affiliate, or the termination of Affiliate status of Optionee's employer and the loss of benefits available to Optionee under this Agreement, including but not limited to, the termination of the right to exercise the Options under this Agreement.

11. **COPIES OF PLAN AND OTHER MATERIALS.** Optionee acknowledges that Optionee has received copies of the Plan and the Plan prospectus from the Company and agrees to receive stockholder information, including copies of any annual report, proxy statement and periodic report, electronically from the Company. Optionee acknowledges that copies of the Plan, Plan prospectus, Plan information and stockholder information are also available upon written or telephonic request to the Company. Optionee acknowledges that copies of the Company's policies referenced in this Agreement, including the Policy, are available on ISSAIC, the Company's intranet, and are also available upon written or telephonic request to the Company.

12. **NON-SOLICITATION.**

12.1 **Solicitation of Employees**. Optionee agrees that, both while employed by the Company or an Affiliate and for one year afterward, Optionee will not solicit or attempt to solicit any employee of the Company or an Affiliate to leave his or her employment or to violate the terms of any agreement or understanding that employee may have with the Company or an Affiliate. The foregoing obligations apply to both the Optionee's direct and indirect actions, and apply to actions intended to benefit Optionee or any other person, business or entity.

12.2 **Solicitation of Customers**. Optionee agrees that, for one year after termination of employment with the Company or an Affiliate, Optionee will not participate in any solicitation of any customer or prospective customer of the Company or an Affiliate concerning any business that:

a) involves the same programs or projects for that customer in which Optionee was personally and substantially involved during the 12 months prior to termination of employment; or

b) has been, at any time during the 12 months prior to termination of employment, the subject of any bid, offer or proposal activity by the Company or an Affiliate in respect of that customer or prospective customer, or any negotiations or discussions about the possible performance of services by the Company or an Affiliate to that customer or potential customer, in which Optionee was personally and substantially involved.

In the case of a governmental, regulatory or administrative agency, commission, department or other governmental authority, the customer or prospective customer will be determined by reference to the specific program offices or activities for which the Company or an Affiliate provides (or may reasonably provide) goods or services.

12.3 **Remedies**. Optionee acknowledges and agrees that a breach of any of the promises or agreements contained in this Section 12 will result in immediate, irreparable and continuing damage to the Company for which there is no adequate remedy at law, and the Company or an Affiliate will be entitled to injunctive relief, a decree for specific performance, and other relief as may be proper, including money damages.

13. **MISCELLANEOUS.** This Agreement contains the entire agreement between the parties with respect to its subject matter, provided, however, that if Optionee and the Company are parties to an existing written agreement addressing the subject matter of Section 12, such agreement shall control with respect to such subject matter until the termination thereof, at which time Section 12 shall control. This Agreement shall be binding upon and shall inure to the benefit of the respective parties, the successors and assigns of the Company, and the heirs, legatees, and personal representatives of Optionee. The parties hereby agree that should any portion of this Agreement be judicially held to be invalid, unenforceable, or void, such portion shall be construed by limiting and reducing it, so as to be enforceable to the maximum extent compatible with the applicable law as is then in effect.

14. **ACKNOWLEDGMENT**. Optionee acknowledges that the Option constitutes full and adequate consideration for Optionee's obligations under this Agreement, accepting the Option constitutes an unequivocal acceptance of this Agreement and any attempted modifications or deletions will have no force or effect upon the Company's right to enforce the terms and conditions stated herein.

15. **GOVERNING LAW.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware without reference to such state's principles of conflict of laws.

By accepting the Option, you agree to all of the terms and conditions set forth above and in the Plan.

SAIC, INC.

2006 EQUITY INCENTIVE PLAN
NONSTATUTORY STOCK OPTION AGREEMENT
NON-EMPLOYEE DIRECTORS

BY ACCEPTING THE OPTION DESCRIBED IN THIS AGREEMENT, YOU VOLUNTARILY AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND IN THE PLAN.

SAIC, Inc., a Delaware corporation (the "**Company**"), hereby grants an option (the "**Option**") to purchase shares of its Common Stock, $0.0001 par value per share, ("**Stock**"), to the participant named in the Grant Summary (as defined below) ("**Optionee**"). Optionee is a non-employee director of the Company. Certain specific details of the award of this Option, including Option Shares, Option Price and Grant Date, may be found in the Grant Summary and are hereby incorporated by reference into this Agreement. The terms and conditions of the Option are set forth in this Agreement and in the Company's 2006 Equity Incentive Plan, as amended (the "**Plan**").

1. **DEFINITIONS.** The following terms shall have the meanings as defined below. Capitalized terms used herein and not defined shall have the meanings attributed to them in the Plan.

"**Administrator**" shall have the meaning as defined in the Plan.

"**Affiliate**" shall mean a "parent" or "subsidiary" (as each is defined in Section 424 of the Code) of the Company and any other entity that the Board or Committee designates as an "Affiliate" for purposes of this Plan.

"**Cause**" shall have the meaning as defined in the Plan.

"**Committee**" shall have the meaning as defined in the Plan.

"**Expiration Date**" shall have the meaning as defined in Section 3 below.

"**Fair Market Value**" shall have the meaning as defined in the Plan.

"**Grant Date**" shall mean the date of the award of this Option as set forth in the Grant Summary.

"**Grant Summary**" shall mean the summary of this award as reflected in the electronic stock plan award administration system maintained by the Company or its designee that contains a link to this Agreement (which summary information is set forth in the appropriate records of the Company authorizing such award).

"**Option Price**" shall mean the exercise price per Option Share applicable to this Option set forth in the Grant Summary.

"**Option Shares**" shall mean the number of shares of Stock issuable upon exercise of the Option as set forth in the Grant Summary.

"**Permanent Disability**" shall mean the status of disability determined conclusively by the Committee based upon certification of disability by the Social Security Administration or upon such other proof as the Committee may require, effective upon receipt of such certification or other proof by the Committee.

"**Special Retirement**" shall mean retirement by an Optionee who is a director of the Company either (A) after reaching the applicable mandatory retirement age at retirement or (B) at the end of a term of office if Optionee is not nominated for a successive term of office on account of the fact that Optionee would have reached the applicable mandatory retirement age during such successive term of office, regardless of years of service with the Company.

"**Vesting Date**" shall have the meaning as defined in Section 4.1 below.

2. **GRANT OF OPTION; NUMBER OF SHARES; OPTION PRICE.** The Company hereby grants to Optionee an Option to purchase all or any part of the Option Shares at the Option Price.

3. **TERM OF OPTION.** This Option shall terminate upon the earlier to occur of: (i) seven (7) years from the Grant Date (the "**Expiration Date**"); or (ii) the expiration of the applicable period following the occurrence of any of the events specified in Section 5 hereof. The Company shall have no obligation to provide Optionee with notice of termination or expiration of this Option.

4. **EXERCISE OF OPTION.**

4.1 **General Schedule of Vesting and Exercisability.** Subject to the terms of the Plan and this Agreement, this Option shall vest and become exercisable in accordance with the following schedule:

a) The Option may be exercised as to 100% of the Option Shares on or after the later of: (i) the first-year anniversary of the Grant Date or (ii) the date the annual meeting of stockholders of the Company following the Grant Date is concluded (the "**Vesting Date**").

b) The Option may not be exercised in whole or in part at any time prior to the Vesting Date.

Optionee may purchase all, or from time to time, any part of the maximum number of Option Shares which are then exercisable. Except as set forth in Section 4.4 below, this Option shall be exercisable only by Optionee.

4.2 **General Terms of Exercise.** Subject to the terms of the Plan and this Agreement, the Option shall be exercised pursuant to procedures established by the Committee, which may include electronic or voice procedures as may be specified by the Committee and which may include a requirement to acknowledge this Agreement prior to exercise. Acceptable forms and methods of payment to exercise the Option may include (i) by cashier's check, money order or wire transfer; (ii) by a cashless exercise procedure; or (iii) by tendering shares of Common Stock of the Company acceptable to the Committee valued at their Fair Market Value as of the date of exercise.

4.3 **Treatment of Special Retirement.** If Optionee has met the provisions of the definition of the term "Special Retirement" in Section 1 above, the right to exercise this Option shall continue to vest and be exercisable in accordance with the schedule set forth in Section 4.1 above.

4.4 **Treatment of Death or Permanent Disability.** Notwithstanding anything to the contrary herein, if Optionee ceases to be affiliated with the Company or any Affiliate as a result of Optionee's death or Permanent Disability, or if Optionee's death or Permanent Disability occurs following a Special Retirement, any unvested portion of this Option shall accelerate and become fully exercisable. Following Optionee's death, this Option may be exercised only by the executor or administrator of the Optionee's estate or, if there is none, the person entitled to exercise the Option under Optionee's will or the laws of descent and distribution. Following Optionee's termination of affiliation as a result of Optionee's Permanent Disability, if a guardian or conservator has been appointed to act for Optionee and been granted this authority as part of that appointment, that guardian or conservator may exercise this Option on behalf of Optionee.

5. **TERMINATION OF OPTION; EVENTS IMPACTING ABILITY TO EXERCISE OPTION.**

5.1 **Termination of Affiliation.** If Optionee ceases to be affiliated with the Company or an Affiliate for any reason other than death, Special Retirement, Permanent Disability or Cause, Optionee may exercise this Option within the ninety (90) day period following such cessation of affiliation, but only to the extent that this Option was exercisable at the date of such cessation of affiliation and Optionee's rights to exercise the Option have not been suspended as of the date of such cessation of affiliation. This Option shall terminate on the earlier to occur of the expiration of such ninety (90) day period or the Expiration Date.

5.2 **Removal for Cause.** If Optionee is a director of the Company or an Affiliate and is removed for Cause as determined by the Administrator of the Plan, this Option and all of Optionee's rights with respect thereto shall immediately terminate on the date of such removal.

5.3 **Termination for Breach of Obligation**. Notwithstanding the right of Optionee to continued vesting upon Special Retirement under Section 4.3 above, the Company shall have the right to terminate this Option prior to the Vesting Date if Optionee breaches his or her contractual or legal obligations to the Company or an Affiliate ("**Breach of Obligation**").

5.4 **Termination of Unexercised Options.** If any portion of the Option is not exercised by the earlier of: (i) the end of the applicable period specified in Sections 5.1 or 5.2 or

(ii) the Expiration Date, any such unexercised portion and all of Optionee's rights with respect thereto shall terminate.

6. **TAX WITHHOLDING.** If the Company or any Affiliate is required to withhold any federal, state, local or other taxes upon the exercise of this Option, Optionee shall remit an amount sufficient to satisfy any applicable tax withholding requirement in a form of payment satisfactory to the Administrator or the Committee, which may include by cashier's check, money order or wire transfer or by the Company's withholding Stock issued upon exercise of this Option to pay the required withholding. If the Company withholds Stock, the Fair Market Value of the Stock withheld, as determined as of the date of withholding, shall not exceed the minimum rates required by law.

7. **RESTRICTIONS UNDER SECURITIES LAW.** All shares of Stock covered by this Agreement are subject to any restrictions which may be imposed under applicable state and federal securities laws and are subject to obtaining all necessary consents which may be required by, or any condition which may be imposed in accordance with, applicable state and federal securities laws or regulations.

8. **INCORPORATION OF PLAN.** The Option granted hereby is granted pursuant to the Plan, all the terms and conditions of which are hereby made a part hereof and are incorporated herein by reference. In the event of any inconsistency between the terms and conditions contained herein and those set forth in the Plan, the terms and conditions of the Plan shall prevail.

9. **NO CONTINUED RIGHTS.**

9.1 Nothing in this Agreement (including, but not limited to, the right to exercise this Option pursuant to the schedule set forth in Section 4 herein), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall (i) confer upon Optionee any right to continue in the affiliation with the Company or an Affiliate, (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation, or (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan.

9.2 Optionee acknowledges and agrees that the right to exercise this Option pursuant to the schedule set forth in Section 4 is earned only by continuing as a director of the Company (not through the act of being hired, being granted this Option or any other Option, award or benefit or acquiring shares hereunder) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). Optionee acknowledges and agrees that such a reorganization could result in the termination of Optionee's relationship as a director of the Company or an Affiliate, and the loss of benefits available to Optionee under this Agreement, including but not limited to, the termination of the right to exercise the Options under this Agreement.

10. **COPIES OF PLAN MATERIALS.** Optionee acknowledges that Optionee has received copies of the Plan and the Plan prospectus from the Company and agrees to receive stockholder information, including copies of any annual report, proxy statement and periodic report, electronically from the Company. Optionee acknowledges that copies of the Plan, Plan prospectus, Plan information and stockholder information are also available upon written or telephonic request to the Company.

11. **MISCELLANEOUS.** This Agreement contains the entire agreement between the parties with respect to its subject matter. This Agreement shall be binding upon and shall inure to the benefit of the respective parties, the successors and assigns of the Company, and the heirs, legatees, and personal representatives of Optionee.

12. **ACKNOWLEDGMENT**. Optionee acknowledges that accepting the Option constitutes an unequivocal acceptance of this Agreement and any attempted modifications or deletions will have no force or effect upon the Company's right to enforce the terms and conditions stated herein.

13. **GOVERNING LAW.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware without reference to such state's principles of conflict of laws.

By accepting the Option, you agree to all of the terms and conditions set forth above and in the Plan.

Exhibit 21

SAIC, INC.

Subsidiaries of Registrant	Jurisdiction of Incorporation
Science Applications International Corporation	Delaware
Campus Point Realty Corporation	California
Cloudshield Technologies, Inc.	Delaware
Cloudshield Technologies GmbH	Germany
Cloudshield UK Limited	United Kingdom
JMD Development Corporation	California
MEDPROTECT LLC	Delaware
Reveal Imaging Technologies, Inc.	Delaware
Reveal Imaging, LLC	Delaware
Reveal Imaging Technologies International, Inc.	Delaware
SAIC Energy & Infrastructure, LLC	Delaware
R.W. Beck Group, Inc.	Washington
R.W. Beck Federal, Inc.	Washington
R.W. Beck, Inc.	Washington
R.W. Beck International, Ltd.	Washington
R.W. Beck – Singapore Pte. Ltd.	Singapore
SAIC Energy, Environmental & Infrastructure, LLC	Delaware
ABI Architects, Inc.	Florida
Benham Constructors, LLC	Oklahoma
Benham DB, Inc.	Oklahoma
Benham/Ellerbe Becket, LLC (51% ownership)	Oklahoma
Benham International, Inc.	Oklahoma
Benham Military Communities, LLC	Oklahoma
SAIC of Michigan, Inc.	Michigan
R.O.I. Energy, L.L.C.	Oklahoma
ROI Finance I, LLC	Delaware
The Benham Group, Inc.	Oklahoma
The Benham Group of Nevada, Inc.	Nevada
SAIC Engineering, Inc.	California
SAIC Engineering of North Carolina, Inc.	North Carolina
SAIC Engineering of Ohio, Inc.	Ohio
SAIC Europe Limited	England
SAIC Limited	England
Calanais Ltd.	United Kingdom
Calanais Pension Trustee Co. Ltd.	United Kingdom
Opta Ltd.	England
Science Applications International, Europe S.A.R.L.	France
SAIC-Frederick, Inc.	Delaware
SAIC Global Technology Corporation	Delaware
SAIC Gulf LLC	Oman
SAIC India Private Limited	India
SAIC Pty Limited	Australia
SAIC No.2 Pty Limited	Australia
InQuirion Pty Limited	Australia
SAIC Services, Inc.	Delaware
SAIC Venture Capital Corporation	Nevada
VCC Holdings Corp.	Nevada
Saudi SAI Limited	Saudi Arabia
Science Applications International Corporation (SAIC Canada)	Canada
Science Applications International Germany GmbH	Germany
Science, Engineering, and Technology Associates Corporation	Delaware
Spectrum San Diego	California
Varec Holdings, Inc.	Delaware
Varec, Inc.	Georgia

Exhibit 23.1

SAIC, INC.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-138095 on Form S-8, Post-Effective Amendment No. 1 to Registration Statement No. 333-138095 on Form S-8, Registration Statement No. 333-153360 on Form S-8, and Registration Statement No. 333-169693 on Form S-8 of our reports dated March 25, 2011, relating to the consolidated financial statements of SAIC, Inc. and the effectiveness of SAIC, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of SAIC, Inc. for the year ended January 31,2011.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
March 25, 2011

Exhibit 31.1

SAIC, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Walter P. Havenstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of SAIC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 25, 2011

/s/ Walter P. Havenstein

Walter P. Havenstein
Chief Executive Officer

Exhibit 31.2

SAIC, INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark W. Sopp, certify that:

1. I have reviewed this Annual Report on Form 10-K of SAIC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 25, 2011

/s/ Mark W. Sopp

Mark W. Sopp
Chief Financial Officer

Exhibit 32.1

SAIC, INC.

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of SAIC, Inc. (the "Company") on Form 10-K for the period ended January 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter P. Havenstein, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2011

/s/ Walter P. Havenstein

Walter P. Havenstein
Chief Executive Officer

Exhibit 32.2

SAIC, INC.

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SAIC, Inc. (the "Company") on Form 10-K for the period ended January 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. Sopp, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2011

/s/ Mark W. Sopp

Mark W. Sopp
Chief Financial Officer

ATTACHMENT E

LIST OF AVAILABLE EQUIPMENT AND FACILITIES

(Including Location)

(List may also be attached.)

EQUIPMENT	TYPE	QUANTITY
Laptop	Electronic	250
Aircard	Electronic	250
Scanner	Hardware	25
Printer	Hardware	250
Mobile Command Center	Vehicle	20
Data Trailers	Vehicle/IT	2
Gas Truck	Vehicle	3
Modular work location	Office Space	Pre-contracted vendor
Generator	General/Misc	Pre-contracted vendor
Portable Facilities	General/Misc	Pre-contracted vendor

SAIC understands the critical nature of asset management and logistics following a disaster. To that end, we maintain a Central Florida warehouse with over 120 fully stocked bays capable of supporting over 50 simultaneous recovery operations for over 90 days. Many of the critical resource items listed above are housed at this Central Florida location.

In addition to our warehouse, SAIC owns a fleet of project-ready supply and satellite trailers that can be mobilized on a moment's notice. We also manage 10 warehouses and storefronts, including a 40,000 square-foot distribution center in Dallas, Texas.

ATTACHMENT F

STATEMENT THAT PROPOSER IS FAMILIAR CITY'S TDMS SITES

SUMMARY OF
LOCATIONS FOR TEMPORARY DEBRIS
STORAGE AND REDUCTION SITES

PRIMARY SITES *(debris storage and reduction)*:

1. Truman Waterfront Property approximately 5 acres
2. 5701 College Road approximately 4 acres
3. Wickers Football Field approximately 3 acres

SECONDARY SITES *(debris storage only):*

1. Trumbo Road Property approximately 2 acres
2. Indigenous Park approximately 1 acre
3. South Roosevelt Boulevard Bridal Path approximately 4 acres

Post disaster management of the proposed temporary debris management sites (TDMS) located by the City of Key West is necessary for a successful project. A total of 12 acres of land is available for primary sites near or bordering water. The sites may not be available immediately after a storm due to flooding. Environmental concerns will be a priority. Upon award of this contract, SAIC will work with the City to create and document a work plan that includes maps, checklists for pre-event permitting, TDMS maximum capacity, workflow metrics, and contingency plans when sites are flooded. This plan is a critical step for the success of debris operations.

ATTACHMENT G

DESCRIPTION OF AND SAMPLE OF PROPOSER'S TICKETS AND FORMS

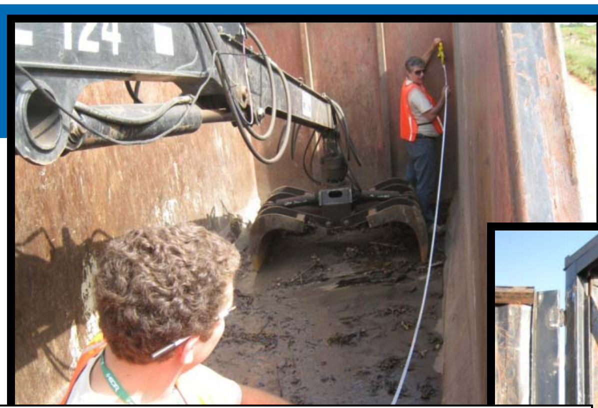
- ☒ Sample Load Ticket
- ☒ Sample Truck Capacity Certification Form
- ☒ Sample Force Labor Ticket
- ☒ Description and Print Screens of Proposers Ticket Tracking Data Base

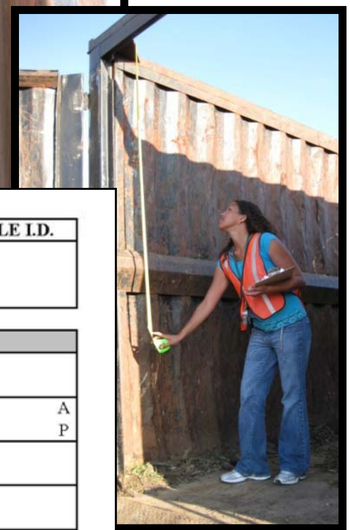
A copy of SAIC's BDR Division* sample tickets and forms are provided on the subsequent pages.

In addition to these sample forms and reports, SAIC uses a Structured Query Language (SQL) database to provide automated invoice reconciliation, payment recommendation reports, and various financial reports. For invoice reconciliation, we electronically and physically date stamps the invoices once they are received. An SAIC database query is run that performs a ticket-by-ticket comparison of the SAIC's Recovery Tracking database versus the contractor's invoice supporting documentation. The Recovery Tracking database generates a report that shows where the two data sets agree, disagree, or have missing information. An SAIC data analyst is tasked with pulling all tickets in question and making a determination of the required corrective action. A pre-approval report summarizing all tickets that match or pass the reconciliation process is forwarded to an SAIC financial analyst. To the extent that tickets still in dispute are less than the contractor's retainage, the invoice less the retainage is approved for payment. The SAIC staff member in charge of invoicing then prepares a letter to the City's representative responsible for invoice payment, recommending payment of the invoice. Following invoice approval, an extensive process to evaluate tickets that differ in the SAIC and contractor databases is performed. This typically requires significant communication between SAIC and contractor staff to resolve discrepancies. After all discrepancies are resolved, SAIC sends a follow-up letter to the City recommending the amount of retainage to be released. Finally, an SAIC invoicing specialist performs an audit of the materials in the invoice file to ensure that the file is complete. SAIC's proprietary database allows the City to track the impact payment approvals made on obligated Federal Emergency Management Agency (FEMA) project worksheets and City of Key West purchase orders (PO). This allows the City to effectively plan for PO adjustments and the need to generate adjustment project worksheets.

*BDR was acquired by SAIC in August 2009 as a wholly owned subsidiary. In December 2010, BDR was fully integrated into SAIC and now operates as a division of SAIC. The sample documentation presented in this section were projects performed by BDR prior to the acquisition.

Truck Certification





SAIC
From Science to Solutions

TRUCK CERTIFICATION

CAPACITY	VEHICLE I.D.

GENERAL INFORMATION

Applicant:	**Disaster #**	**Contractor:**	
1st Tier Sub:	**2nd Tier Sub:**	**Date:**	**Time:** A P
Driver Name:	**License #**	**State:**	**Expiration:**
Driver Phone:	**Tag #**	**State:**	**Expiration:**

Vehicle Type: ☐ Dump Truck ☐ Hydraulic Dump Trailer ☐ Non-hydraulic Dump Trailer
☐ Semi-Trailer ☐ Self-Loading Truck ☐ Other: ________________

Features: ☐ Sideboards ☐ Dog Box ☐ Curved/Angled Sides/Floor
☐ Tail Gate Extension ☐ Wheel Wells ☐ Other: ________________

MEASUREMENT INFORMATION

Primary Interior Dimensions$_1$:	L_1	x W_1	x H_1	= V_1	Inches (whole number)

Modifications to Overall Interior Dimensions

Circle "+" for Addition or "-" for deduction
Type Code: A = Box Shape; B = Sideboards; C = Tail Gate Extension; D = Dog Box; E = Wheel Wells; F = Other

Type Code$_2$:	L_2	x W_2	x H_2	= V_2	☐ ÷2	+ / -
Type Code$_3$:	L_3	x W_3	x H_3	= V_3	☐ ÷2	+ / -
Type Code$_4$:	L_4	x W_4	x H_4	= V_4	☐ ÷2	+ / -
Round Bottom Truck:	$[\pi \times (D \div 2)^2 \times L] \div 2$	$[3.14 \times ($ ______ $\div 2)^2 \times$ ______ $] \div 2$		= V_5		+ / -
V_{total} = Primary Interior Cubic Inches +/- Modification Cubic Inches CYD = V_{total} / 46,656 *(rounded to the nearest whole number)*				= V_{total}	CYD	

VEHICLE SKETCH

Primary (Side View) | Primary (End View)

Type Code2: (if applicable) | Type Code3: (if applicable) | Type Code4: (if applicable) | Round Bottom: (if applicable)

Measured by: **I.D. #**	**Calculated by:** **I.D. #**	**Checked by:** **I.D. #**
Applicant Representative (print): **I.D. #**	**Contractor Representative (print)** **I.D. #**	
Signature:	**Signature:**	

White - Applicant *Green and Yellow - Contractor* *Pink - Driver* *Gold - Site Copy*

Load Ticket

SAIC
From Science to Solutions

		LOAD TICKET # 77884545b
Applicant:	Disaster #	
Program:	Contractor:	
Truck # :	Truck Capacity:	
Driver's Name:		ROE/WO#:
House # :	Street / Load Origin:	Zone #:

Debris Classification:

- ☐ Vegetative/Woody
- ☐ Mixed
- ☐ Construction & Demolition
- ☐ White Goods
- ☐ Household Hazardous Waste
- ☐ Animal Carcasses
- ☐ Hazardous Materials / Toxic
- ☐ Other:________________________

Loading Time:	Loading Date:
Monitor Name (print):	I.D. #
TDSRS / Disposal Site Location:	Scale Ticket #
Load Call (%):	Weight (tons):
Disposal Time:	Disposal Date:
Monitor Name (print):	I.D. #
Contractor Name (print):	I.D. #
Notes:	

White - Applicant *Green and Yellow - Contractor* *Pink - Driver* *Gold - Site Copy*

Unit Rate Ticket

SAIC
From Science to Solutions

UNIT RATE TICKET

17788454

Applicant:	**Disaster #**

Program:

☐ Parks ☐ Right-of-Entry ☐ Time & Materials

☐ ROW Lean/Hanger ☐ Stumps ☐ ____________

Contractor:	**Crew # :**	
Survey Item # :	**GPS:** N:	W:

House # :	**Street Name:**	**Zone #:**

Parcel # :	**ROE # :**

Contract Rate Code:

1 3 5 7 9

2 4 6 8 Other: _________

Contract Rate Sub-Code

A C E G I

B D F H Other: _________

Unit Count:	**Measurement:**

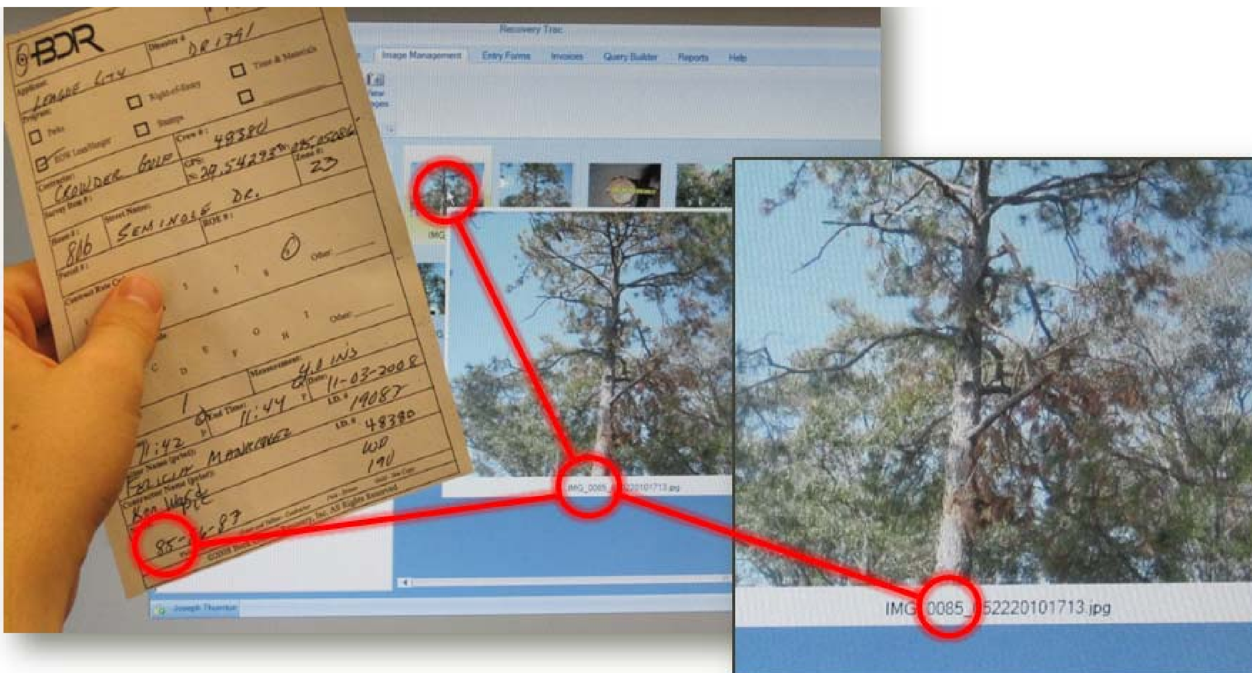
Start Time: A P	**End Time:** A P	**Date:**

Monitor Name (print):	**I.D. #**
Contractor Name (print):	**I.D. #**

Notes:

White - Applicant *Green and Yellow - Contractor* *Pink - Crew Chief* *Gold - Site Copy*

Leaner / Hanger/ Stump- Photo Documentation



DMS Documentation

Investigation of Property Suitability

TEMPORARY DEBRIS STAGING AND REDUCTION (TDSR) SITE

DATE OF SITE INVESTIGATION: ____________________

OWNERSHIP OF PROPERTY (CHECK ONE): Municipal Property ☐ County Property ☐ Private Property ☐

Other Ownership (describe) ☐ ____________________

PROPERTY NAME: ____________________

PROPERTY OWNER'S NAME: ____________________

PROPERTY OWNER'S ADDRESS: ____________________

PROPERTY OWNER'S PHONE NUMBER: ____________________

PROPERTY OWNER'S EMAIL ADDRESS: ____________________

ESTIMATED PROPERTY SIZE: _________ **ACRES** **SITE GPS COORDINATES: N** __________ **W** __________

CHARACTERIZATION OF NEIGHBORING PROPERTIES	
EVALUATION FACTOR	**COMMENTS**
Property Current Land Use	
Any proposed future land uses	
Environmental issues	
Proximity to Schools, Churches, Community Centers	
Property topography	
Open water sources	
Ground water wells	
Access to electricity/sewer/water	
Soil integrity	
Surface water drainage	
Prevailing wind direction	
Ingress/Egress	
Lighted area	
Site security	
Buffer Distance for Noise Control	
Property Developed	
Property Adjacent to Airport/Airfield	
Site able to handle large volume of trucks	

SITE PREPARATION: High __________ Medium __________ Low __________

SUITABILITY TO WET WEATHER: High __________ Medium __________ Low __________

ABILITY TO SERVE A SPATIAL AREA: High __________ Medium __________ Low __________

DMS Documentation

ACCESSIBILITY TO MUNICIPALITIES (LIST MUNICIPALITIES LIKELY TO UTILIZE SITE): ____________________

____

____

____

____

SITE ACCEPTABILITY FOR WHAT TYPE OF REDUCTION METHOD (CHECK APPLICABLE METHOD(S)):

Open Burning __________

Air Curtain Incineration __________

Grinding __________

WILL THIS SITE BE RECOMMENDED FOR USE (YES/NO) AND EXPLAIN:

______ C&D

______ Vegetative

______ Both C&D and Vegetative

______ White Goods

______ Other (Describe________________________)

LIST NUMBERS OF EACH PHOTOGRAPHS TAKEN OF THE PROPERTY:

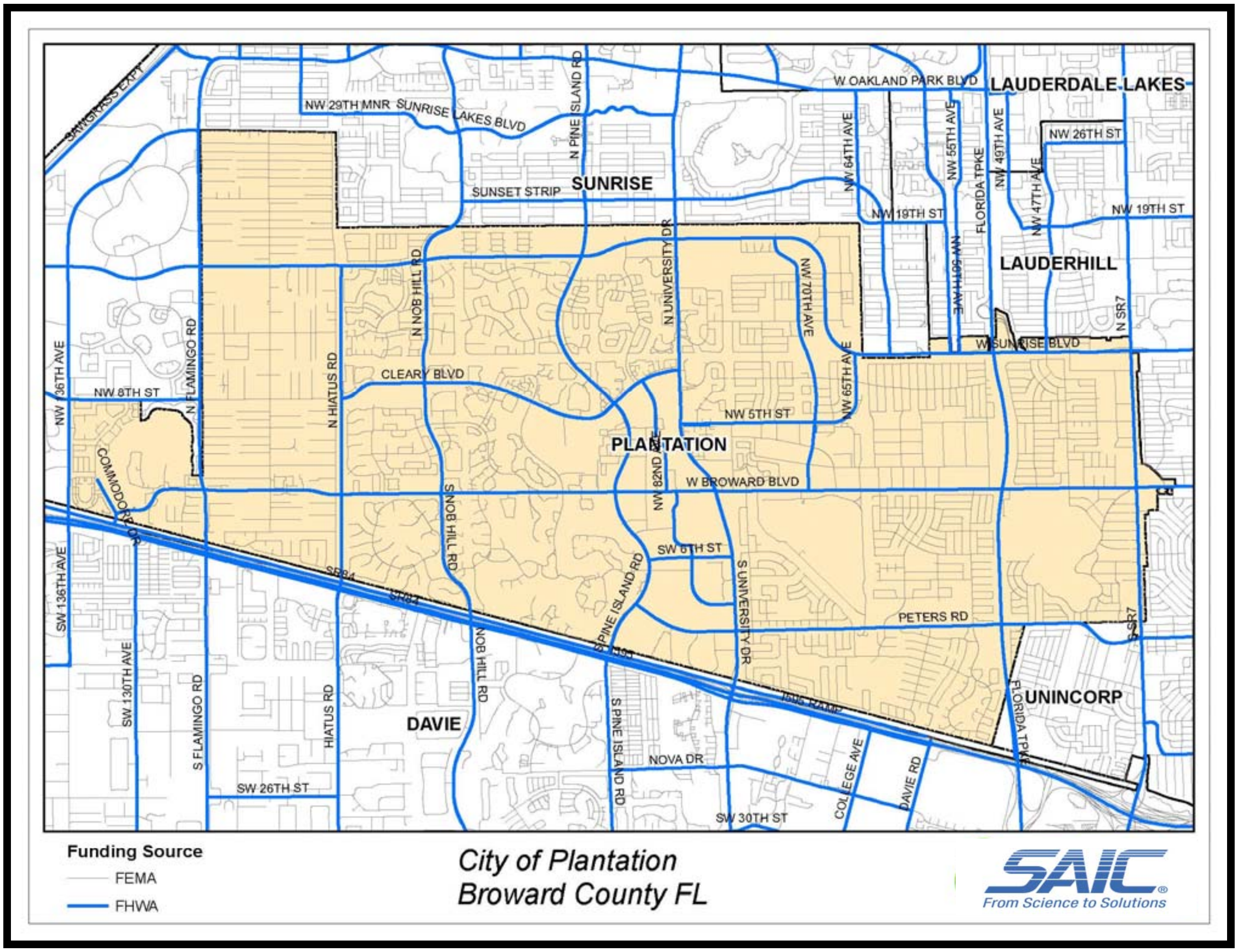
____

LIST THE CLOSEST LANDFILL AND APPROXIMATE DISTANCE FROM SITE:

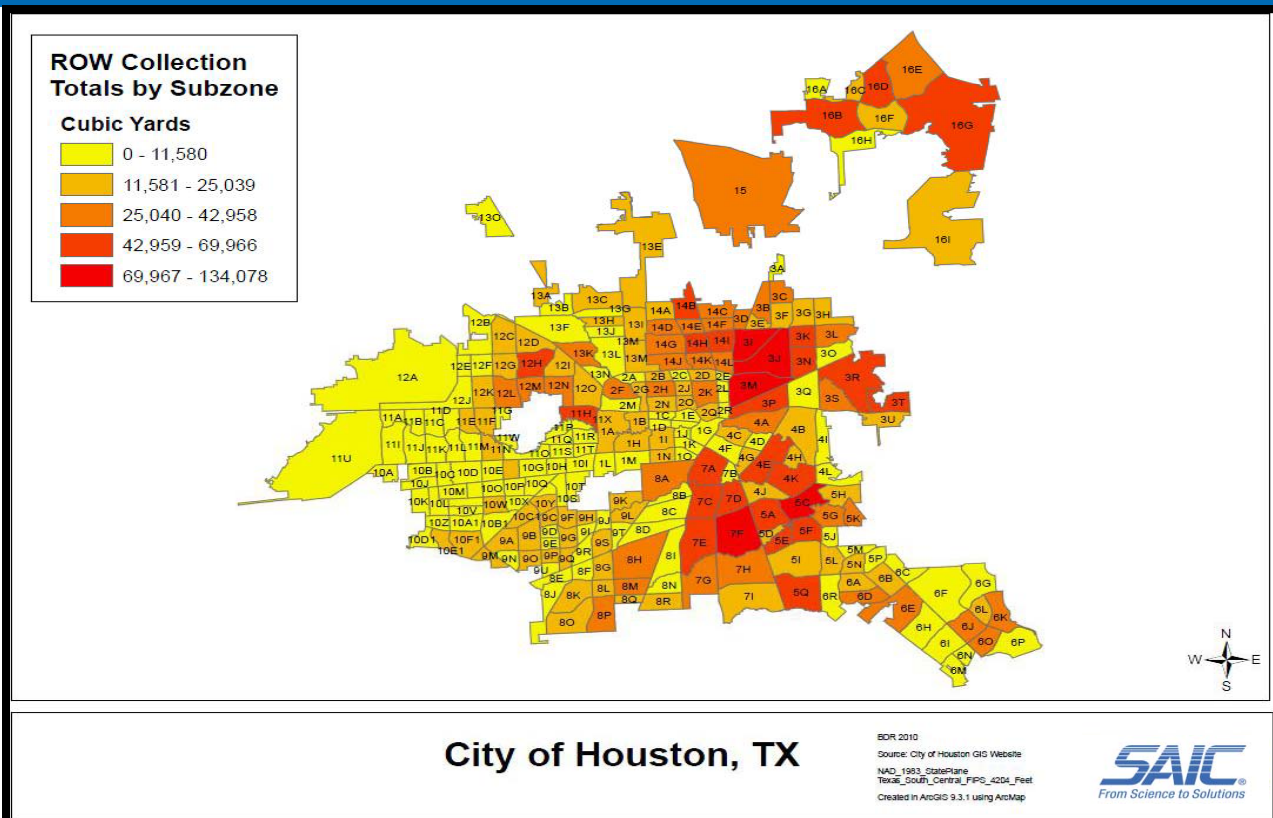
____

SITE SKETCH: IDENTIFY MAJOR FEATURES OF SITE (ROADWAYS, BARRIERS TO USE, SPATIAL AREA). IF ONLY PORTION OF PROPERTY IS SUITABLE FOR USE, PLEASE IDENTIFY WHAT AREA(S) WILL BE USED AND WHAT AREAS WILL NOT.

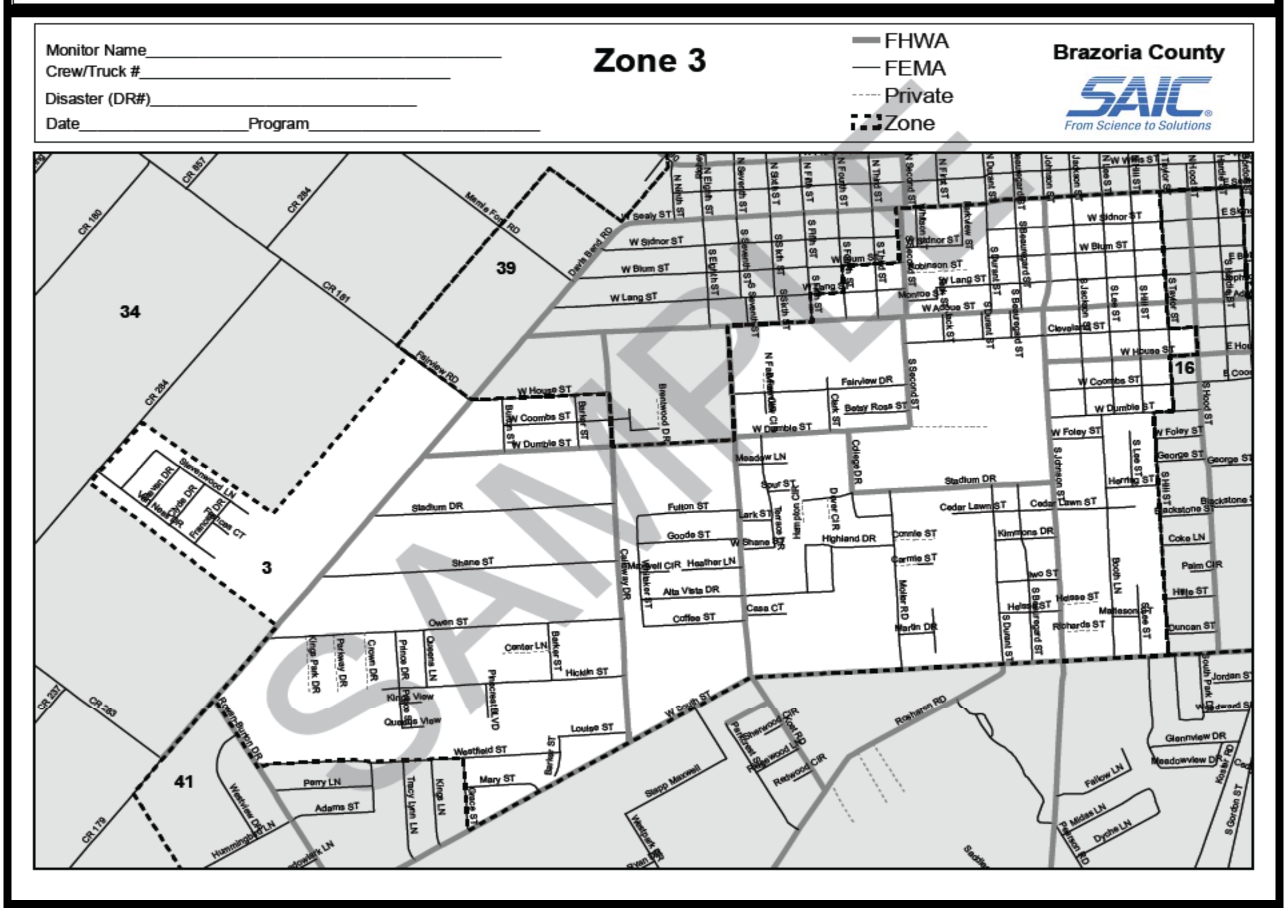
FEMA vs. FHWA-ER Eligible Roadways



Zone Maps

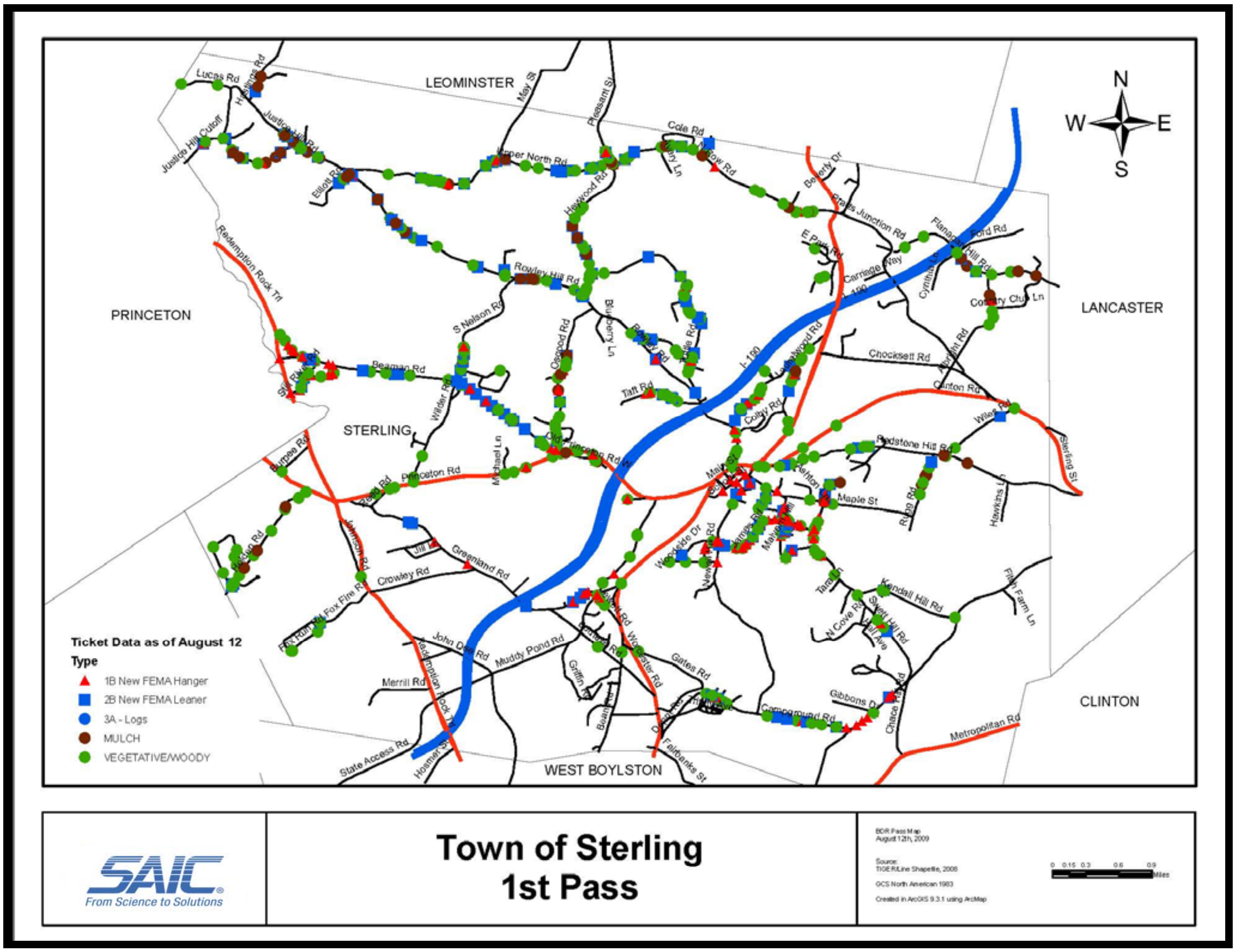


ROW Collection
Totals by Subzone
Cubic Yards
0 - 11,580
11,581 - 25,039
25,040 - 42,958
42,959 - 69,966
69,967 - 134,078
City of Houston, TX
BDR 2010
Source: City of Houston GIS Website
NAD_1983_StatePlane
Texas_South_Central_FIPS_4204_Feet
Created in ArcGIS 9.3.1 using ArcMap
SAIC
From Science to Solutions
N
S
E
W

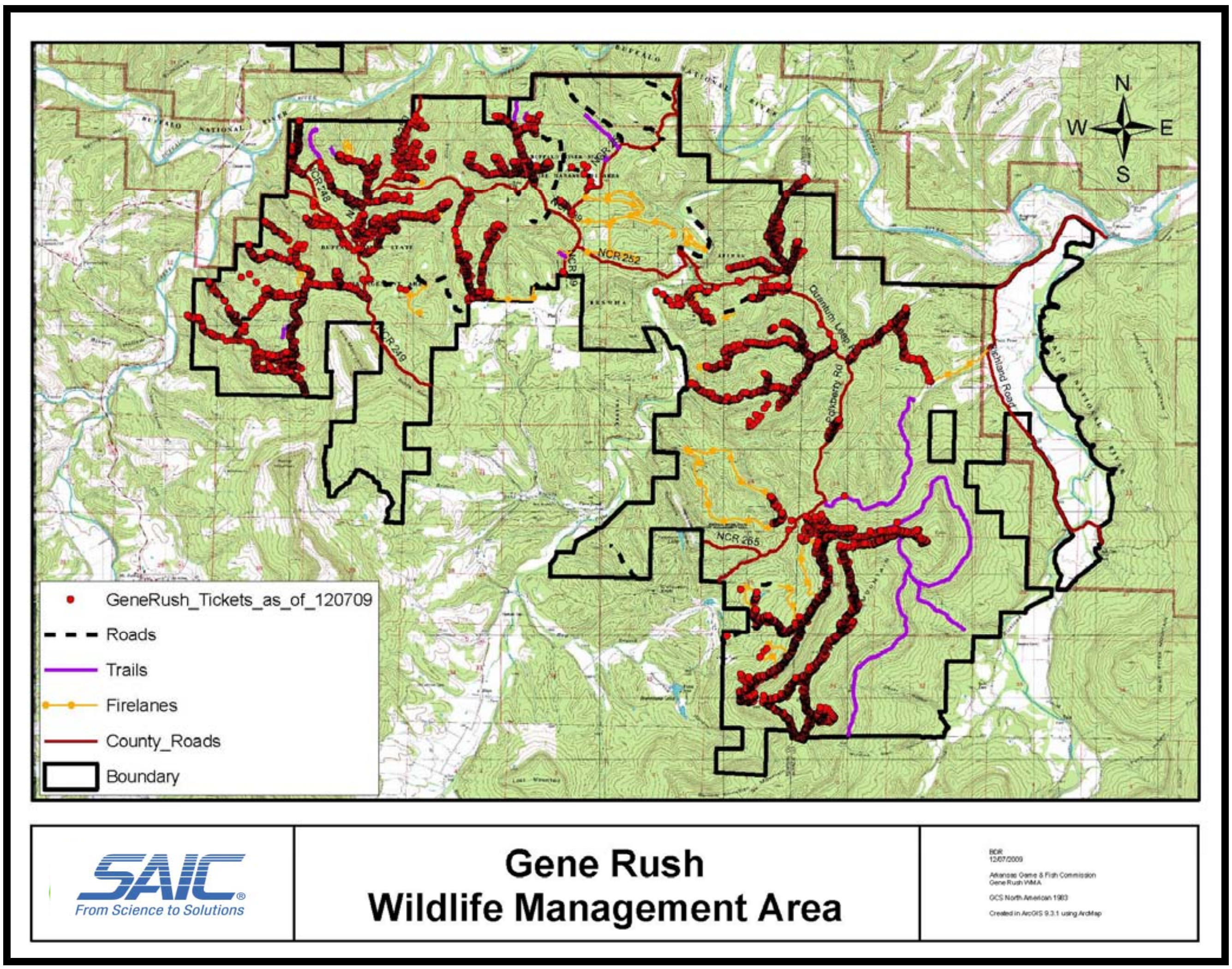


Monitor Name
Crew/Truck #
Disaster (DR#)
Date
Program
Zone 3
FHWA
FEMA
Private
Zone
Brazoria County
SAIC
From Science to Solutions
SAMPLE
34
39
3
41
16

First Pass


LEOMINSTER
PRINCETON
STERLING
LANCASTER
CLINTON
WEST BOYLSTON
N
W
E
S
I-190
Ticket Data as of August 12
Type
1B New FEMA Hanger
2B New FEMA Leaner
3A - Logs
MULCH
VEGETATIVE/WOODY
SAIC
From Science to Solutions
Town of Sterling
1st Pass
BDR Pass Map
August 12th, 2009
Source:
TIGER/Line Shapefile, 2008
GCS North American 1983
Created in ArcGIS 9.3.1 using ArcMap
0 0.15 0.3 0.6 0.9
Miles

Progress Tracking

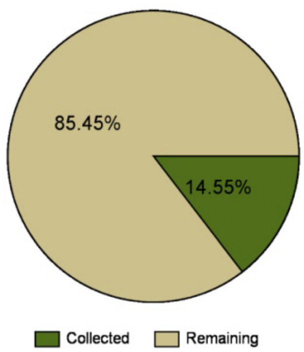


Daily Status Report

Debris Removal Status Report — Tuesday, June 08, 2010

Metropolitan Govt of Nashville
FEMA-1909-DR | 1909-DR
ROW Collection

CY Collected Vs. Remaining *



*Based on 500,000 CY Estimate

Material Breakdown (CY)

Saturday, May 15, 2010

	%	Yards
Construction & Demolition	90.9 %	11,439
Vegetative/Woody	9.1 %	1,152
Total		**12,590**

Collection Statistics (By DMS)

Saturday, May 15, 2010

	Loads	Yards
AIRPORT	119	5,616
EDWIN WARNER	85	3,664
ROSA PARKS	78	3,311
Total	**282**	**12,590**

Summary - Collection Statistics

Cumulative - Project to Date

Total CY Collected	72,764
Days Operational	6
Est. CY Remaining	427,236
Est. Days Remaining	34
Maximum Day (CY)	16,866
Minimum Day (CY)	4,337
Average Day (CY)	12,127

Saturday, May 15, 2010

Zones Worked	19
Debris Mgmt Sites	3
Collection Monitors	39
Disposal Monitors	39
Trucks in Field	68
Total CY Collected	12,590
Loads Collected	282
Average Load (CY)	45
Average Loadcall(%)	80

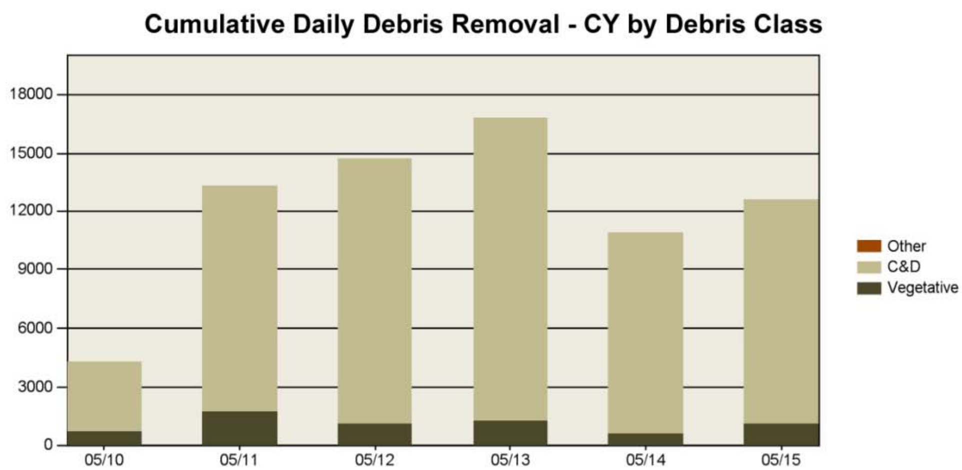
* All Collection Statistics Pending Reconciliation

Daily Status Report (Continued)

Debris Removal Status Report — **Tuesday, June 08, 2010**

Metropolitan Govt of Nashville

FEMA-1909-DR | 1909-DR
ROW Collection



Totals - Project to Date

Collection Statistics (by DMS)

	Loads	Yards
AIRPORT	509	23,977
EDWIN WARNER	799	33,828
ROSA PARKS	365	14,960
Total	**1,673**	**72,764**

Material Breakdown (CY)

	%	Yards
Construction & Demolition	90.7 %	66,019
Vegetative/Woody	9.3 %	6,745
Total		**72,764**

* All Collection Statistics Pending Reconciliation

Daily Ticket Detail Report

BDR An SAIC Company

Daily Ticket Detail Report

Powered by BDR RecoveryTrac™

Printed Tuesday, June 8, 2010

Project: NASHVILLE TN FLOODS

Date of Collection: 5/15/2010

Ticket	Contractor	Load Origin	Disposal Site	Debris Class	Truck	Capacity	%	Volume
257388	DRC	3710 LELAND	EDWIN WARNER	Construction & Demolition	71-20891	65	80	52.00
258236	DRC	6029 CARGILE RD	EDWIN WARNER	Construction & Demolition	23-50513	47	70	32.90
258376	DRC	945 HARPETH BEND DR	EDWIN WARNER	Construction & Demolition	23-20889	50	80	40.00
517968	SRS	2540 MCGINNIS DR	ROSA PARKS	Construction & Demolition	0109	61	85	51.85
529261	SRS	3036 FERNBROOK LN	ROSA PARKS	Construction & Demolition	0136	47	75	35.25
529571	SRS	607 NE AVE						
529794	SRS	1932 WATERF D DR						
529795	SRS	1932 WATERF D DR						
529796	SRS	1809 MERRI ST						
529797	SRS	1809 MERRI ST						
529798	SRS	404 HARRE CT						
529799	SRS	401 HARRE CT						
529800	SRS	3040 FERNBR K LN						

Co

BDR An SAIC Company

Daily Ticket Detail Report

Powered by BDR RecoveryTrac™

Printed Tuesday, June 8, 2010

257195	DRC	8309 TRADING POST CT	EDWIN WARNER	Construction & Demolition	23-20904	47	85	39.95
257248	DRC	5805 COUCH DR	EDWIN WARNER	Construction & Demolition	23-20883	53	70	37.10
257249	DRC	5816 COUCH DR	EDWIN WARNER	Construction & Demolition	23-20883	53	85	45.05
257352	DRC	WILSON ST	EDWIN WARNER	Construction & Demolition	111-20915	47	70	32.90
257353	DRC	WILSON ST	EDWIN WARNER	Vegetative/ Woody	111-20916	50	75	37.50
257354	DRC	HAMPTON ST	EDWIN WARNER	Construction & Demolition	111-20915	47	90	42.30
257355	DRC	HAMPTON ST	EDWIN WARNER	Vegetative/ Woody	111-20915	47	85	39.95
257574	DRC	972 BEECH BEND DR	EDWIN WARNER	Construction & Demolition	23-20886	49	75	36.75
257575	DRC	972 BEECH BEND DR	EDWIN WARNER	Construction & Demolition	23-20884	55	80	44.00
257766	DRC	2325 GOLF CLUB	EDWIN WARNER	Vegetative/ Woody	111-20906	49	75	36.75
257768	DRC	2205 SHARONDA LE	EDWIN WARNER	Vegetative/ Woody	111-20906	49	65	31.85
257769	DRC	2325 GOLF CLUB	EDWIN WARNER	Vegetative/ Woody	111-20920	48	65	31.20
257770	DRC	2325 GOLF CLUB	EDWIN WARNER	Vegetative/ Woody	111-20906	49	75	36.75

Total Collection for the Day (Cubic Yards): 12590.40

Number of Loads Collected: 282

Average Load Size: 44.65

Daily Road Summary Report

Project Roads Summary
Powered by BDR RecoveryTrac™

Nashville | 1909-DR
ROW Collection | 5/15/2010

Load Origin	Zone	Loads/Day	CY/Day	Tons/Day	Units/Day	Total Loads	Total CY	Total Tons	Total Units	Avg %
MYRTLE AVE	1-1	1	44.10	0.00	0.00	1	44.10	0.00	0.00	90.00
NEIL AV	1-1	0	0.00	0.00	0.00	2	90.65	0.00	0.00	92.00
NEIL AVE	1-1	5	222.95	0.00	0.00	5	222.95	0.00	0.00	91.00
CHEROKEE AVE	1-3	0	0.00	0.00	0.00	4	140.30	0.00	0.00	76.00
CLEVELAND ST	1-3	0	0.00	0.00	0.00	2	80.85	0.00	0.00	82.00
CROCKETT ST	1-3	0	0.00	0.00	0.00	1	34.50	0.00	0.00	75.00
DOUGLAS AVE	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00
EAST MORELAND	1-3	2	78.20	0.00	0.00	2	78.20	0.00	0.00	85.00
GATEWOOD AV	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00
GATEWOOD AVE	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00
HANCOCK ST	1-3	0	0.00	0.00	0.00	1	46.55	0.00	0.00	95.00
JEWEL ST	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00
JOSEPH AV	1-3	0	0.00	0.00	0.00	6	254.80	0.00	0.00	86.00
JOSPEH	1-3	0	0.00	0.00	0.00	1	46.55	0.00	0.00	95.00
MONTGOMERY AV	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00
MONTGOMERY	1-3	0	0.00	0.00	0.00	1	39.10	0.00	0.00	85.00

SETTLER CT	9-9	0	0.00	0.00	0.00	2	84.80	0.00	0.00	80.00
SETTLERS CT	9-9	0	0.00	0.00	0.00	13	531.75	0.00	0.00	70.00
TODD PREIS DR	9-9	0	0.00	0.00	0.00	14	676.50	0.00	0.00	87.00
TRADING POST CT	9-9	6	264.40	0.00	0.00	10	434.60	0.00	0.00	82.00
VALLEY PARK DR	9-9	0	0.00	0.00	0.00	1	37.80	0.00	0.00	70.00
VALLEY PARK DR	9-9	0	0.00	0.00	0.00	7	245.80	0.00	0.00	65.00
VALLEY PARK RD	9-9	0	0.00	0.00	0.00	2	80.25	0.00	0.00	75.00
VALLEYPARK DR	9-9	0	0.00	0.00	0.00	2	72.20	0.00	0.00	67.00
VALLEYPARK DRIVE	9-9	0	0.00	0.00	0.00	4	136.45	0.00	0.00	63.00
WESTVALE	9-9	0	0.00	0.00	0.00	2	109.65	0.00	0.00	85.00
WESTVALE DR	9-9	0	0.00	0.00	0.00	10	442.30	0.00	0.00	71.00
370	**Report Totals**	**282**	**12,590.40**	**0.00**	**0.00**	**1673**	**72,764.32**	**0.00**	**0.00**	**78.26**

Daily Truck Summary Report

BDR
An SAIC Company

Contract Truck Summary
Powered by BDR RecoveryTrac™

Nashville | 1909-DR | | 5/15/2010

Truck	Capacity	Vehicle Type	Contractor	Loads/Day	CY/Day	Tons/Day	Total Loads	Total CY	Total Tons	Avg %
0100	47.00	SELF-LOADING	SRS	4	150.40	0.00	30	1,184.40	0.00	84.00
0101	47.00	SELF-LOADING	SRS	7	279.65	0.00	30	1,198.50	0.00	85.00
0102	52.00	SELF-LOADING	SRS	0	0.00	0.00	17	676.00	0.00	76.00
0105	51.00	SELF-LOADING	SRS	1	45.90	0.00	26	1,091.40	0.00	82.00
0106	43.00	SELF-LOADING	SRS	4	141.90	0.00	22	743.90	0.00	78.00
0107	42.00	NON-HYDRAULIC DUMP TRAILER	SRS	2	63.00	0.00	13	348.60	0.00	63.00
0108	56.00	SELF-LOADING	SRS	5	229.60	0.00	20	887.60	0.00	79.00
0109	61.00	SELF-LOADING	SRS	5	265.35	0.00	22	1,055.30	0.00	78.00
0112	54.00	SELF-LOADING	SRS	0	0.00	0.00	8	361.80	0.00	83.00
0113	68.00	SELF-LOADING	SRS	4	224.40	0.00	23	1,268.20	0.00	81.00

BDR
An SAIC Company

Contract Truck Summary
Powered by BDR RecoveryTrac™

Truck	Capacity	Vehicle Type	Contractor	Loads/Day	CY/Day	Tons/Day	Total Loads	Total CY	Total Tons	Avg %
71-20892	73.00	SELF-LOADING	DRC	0	0.00	0.00	11	551.15	0.00	68.00
71-20893	86.00	SELF-LOADING	DRC	0	0.00	0.00	12	774.00	0.00	75.00
71-20894	61.00	SELF-LOADING	DRC	0	0.00	0.00	12	567.30	0.00	77.00
71-20898	70.00	SELF-LOADING	DRC	0	0.00	0.00	6	315.00	0.00	75.00
71-50511	58.00	SEMI-TRAILER	DRC	3	142.10	0.00	11	498.80	0.00	78.00
92	**55.38**		**Report Totals**	**318**	**14,177.95**	**0.00**	**1758**	**76,404.82**	**0.00**	**78.28**

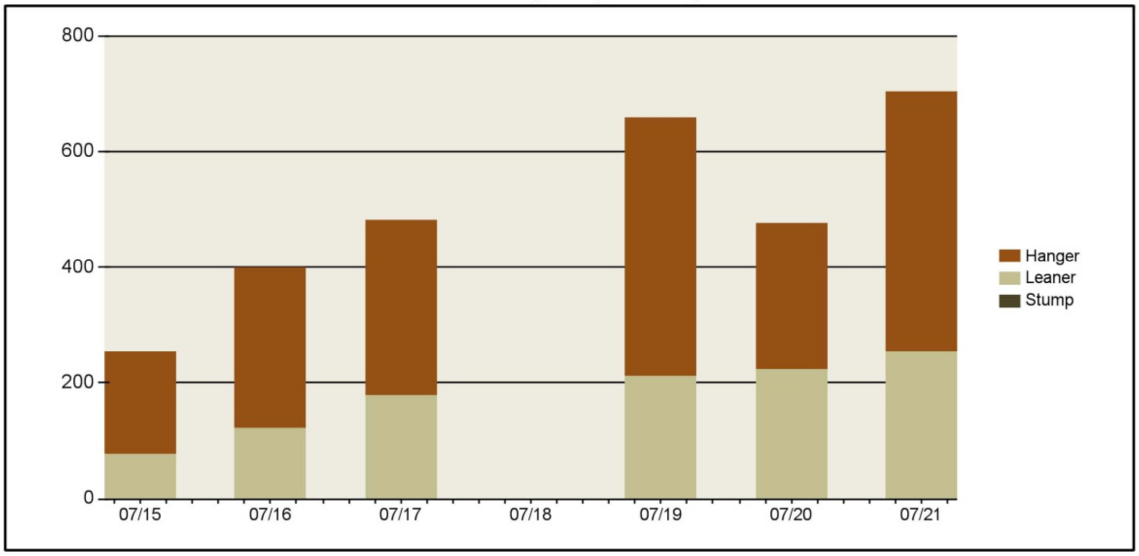
Daily Unit Summary Report

Hangers, Leaners and Stumps Status Report — **Monday, January 31, 2011**

Akansas Game and Fish Commission

FEMA-1819-DR | Severe Winter Storms - OK
WMA

Cumulative Daily Report - by Service



Statistics by Service

Wednesday, July 21, 2010

	Quantity
Total Crews in the Field	5
Total Monitors in the Field	15
Hangers	449
Leaners	254
Stumps	0
Total	**703**

Summary Statistics

Cumulative - Project to Date

	Estimated	Completed	Percent
Hanger	4,000	1,907	47.7 %
Leaner	1,500	1,070	71.3 %
Stump	10	0	0.0 %
Total	**5,510**	**2,977**	

Hanger Removal Maximum	449
Hanger Removal Average	317
Hanger Removal Minimum	177
Leaner Removal Maximum	254
Leaner Removal Average	178
Leaner Removal Minimum	77
Stump Removal Maximum	0
Stump Removal Average	0
Stump Removal Minimum	0

* All Collection Statistics Pending Reconciliation

Invoice Discrepancy Report

Invoice Discrepancy Report
Powered by BDR RecoveryTrac™

Contract: Monroe 1785 DRC
Invoice: MC-1004-10
Run Date: 2/1/2011

	Ticket	Trans	Rev	Date	Code	Qty	Rate	Value	Truck/Crew	cap	%	Discrepancies Flagged	Reconciler Comment
Contractor:	5101201	2	0	07/26/2010	90A	9.53	5.32	50.73				Total Value Mismatch,	
BDR:	5101201	2	0	08/02/2010	90A	9.53	5.32	50.70	53150	46.00	85		
Contractor:	5101202	2	0	07/27/2010	90A	12.95	5.32	68.94				Total Value Mismatch,	
BDR:	5101202	2	0	07/27/2010	90A	12.95	5.32	68.89	21612	101.00	85		
Contractor:	5101203	2	0	07/27/2010	90A	10.42	5.32	55.47				Total Value Mismatch,	
BDR:	5101203	2	0	07/27/2010	90A	10.42	5.32	55.43	21613	88.00	90		
Contractor:	5101204	2	0	07/28/2010	90A	8.79	5.32	46.80				Total Value Mismatch,	
BDR:	5101204	2	0	07/28/2010	90A	8.79	5.32	46.76	21613	88.00	90		
Contractor:	5101205	2	0	07/28/2010	90A	9.90	5.32	52.70				Total Value Mismatch,	
BDR:	5101205	2	0	07/28/2010	90A	9.90	5.32	52.67	21612	101.00	90		
Contractor:	5101206	2	0	08/04/2010	90A	13.50	5.32	72.05				Total Value Mismatch,	
BDR:	5101206	2	0	08/05/2010	90A	13.50	5.32	71.82	21612	101.00	90		

*This data is subject to change through Quality Assurance review and invoice reconciliation

Invoice Discrepancy Report
Powered by BDR RecoveryTrac™

Contract: Monroe 1785 DRC
Invoice: MC-1004-10
Run Date: 2/1/2011

Contractor:	5101207	2	0	08/05/2010	90A	15.10	5.32	80.59				Total Value Mismatch,	
BDR:	5101207	2	0	08/05/2010	90A	15.10	5.32	80.33	21613	88.00	60		

Payment Recommendation Report

Payment Recommendation Report

Monday, July 19, 2010

Invoice Cover Information

Applicant:	Nashville	Invoice Number:	TN-Nas 05
Contractor:	SRS	Date Of Invoice:	June 12, 2010
Disaster:	1909-DR	Gross Amount per Invoice:	$63,480.34
Invoiced Date Range:	From 6/6/2010 To 6/12/2010	Amount Held in Retainage:	$0.00
		Net Amount Invoiced for Payment:	$63,480.34

Supporting Electronic Backup Summary

Code	Matching Service Description	Invoiced Qty	Invoiced Rate	Invoiced Total
50A	Debris Removal - One Way Haul 15 or Less Miles	3,754.75	$5.89	$22,115.59
50B	Debris Removal - One Way Haul 16 to 30 Miles	512.05	$6.89	$3,528.02
60A	Reduction of Debris	4,396.60	$1.00	$4,396.60
70A	Site Management	4,396.60	$0.74	$3,253.57
80A	Haulout of Reduced Debris - 15 Miles or Less	210.21	$2.47	$519.21
80B	Haulout of Reduced Debris - 16 to 30 Miles	9,989.07	$2.97	$29,667.52
			Total Amount of Supporting Electronic Backup Data (This amount pending reconciliation):	$63,480.51
			Amount Adjusted (Deducted) from Gross Invoice Total (Backup Difference):	($0.17)

100% Payable Transactions:

Ticket Item	Invoiced Qty	Invoiced Rate	Invoiced	BDR Match	Resolved Date	Resolved Qty	Rate	Resolved Value	Adjustment	Reason
549728-2	17.85	$1.00	$17.85	549728	6/7/2010	17.85	$1.00	$17.85	$0.00	Verified and Approved
549728-3	17.85	$0.74	$13.21	549728	6/7/2010	17.85	$0.74	$13.21	$0.00	Verified and Approved
549656-2	22.95	$1.00	$22.95	549656	6/7/2010	22.95	$1.00	$22.95	$0.00	Verified and Approved
549656-3	22.95	$0.74	$16.98	549656	6/7/2010	22.95	$0.74	$16.98	$0.00	Verified and Approved
549729-2	22.95	$1.00	$22.95	549729	6/7/2010	22.95	$1.00	$22.95	$0.00	Verified and Approved
549729-3	22.95	$0.74	$16.98	549729	6/7/2010	22.95	$0.74	$16.98	$0.00	Verified and Approved
549655-2	22.10	$1.00	$22.10	549655	6/7/2010	22.10	$1.00	$22.10	$0.00	Verified and Approved
549655-3	22.10	$0.74	$16.35	549655	6/7/2010	22.10	$0.74	$16.35	$0.00	Verified and Approved
549732-2	22.10	$1.00	$22.10	549732	6/7/2010	22.10	$1.00	$22.10	$0.00	Verified and Approved
549732-3	22.10	$0.74	$16.35	549732	6/7/2010	22.10	$0.74	$16.35	$0.00	Verified and Approved
548604-2	21.85	$1.00	$21.85	548604	6/10/2010	21.85	$1.00	$21.85	$0.00	Verified and Approved
548604-3										Approved
549167-1										Approved
549167-2										Approved
549167-3										Approved
549168-1										Approved
549168-2										Approved

Continued, see add

1

Payment Recommendation Report

Monday, July 19, 2010

Final Recap and Recommendation:

Gross Amount Per Invoice Cover:	$63,480.34
(-) Electronic Backup Difference:	($0.17)
(-) Non-Payable Adjustments:	
(-) Comparison Adjustments:	
(-) On Hold Adjustments:	
(=) Amount Approved Before Retainage:	$63,480.51
Invoice Retainage Amount:	$0.00
Amount Recommended for Payment:	**$63,480.34**

Authorized Beck Disaster Recovery, Inc. Representative

7/21/2010

Date of Recommendation

FHWA Emergency Relief Spreadsheet & FEMA Project Worksheets

DISASTER:
DISTRICT OR DIVISION:
NOTE: Do not submit for reimbursement of any expenditure on a road classified as rural minor collector or below
This form not to be used for reimbursement from FEMA. For information on the ER program, see the EMERGENCY RELIEF manual available on the FHWA website.

EMERGENCY RELIEF (ER) PROJECTS
(Debris Removal, Traffic Signals and Street Signs)

ESTIMATED COST OF REPAIRS
(Minimum of $5,000 per site)

LOC#	County and Highway's)	Task #'s and/or RMC #'s	Damage Description	Geographic Location (If bridge, include 15 digit NBI structure number)	Scope of Repairs	Date Work Started/Work Completed	Emergency Repairs Completed in First 180 Days	Permanent Repairs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
							Cont: SF: Total:	Cont: SF: Total:
							Cont: **SF:** **Total:**	**Cont:** **SF:** **Total:**

U.S. DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
PROJECT WORKSHEET

O.M.B. No. 1660-0017
Expires October 31, 2008

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for this form is estimated to average 90 minutes per response. Burden means the time, effort and financial resources expended by persons to generate, maintain, disclose, or to provide information to us. You may send comments regarding the burden estimate or any aspect of the collection, including suggestions for reducing the burden to: Information Collections Management, U.S. Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472, Paperwork Reduction Project (OMB Control Number 1660-0017). You are not required to respond to this collection of information unless a valid OMB number appears in the upper right corner of this form. **NOTE: Do not send your completed questionnaire to this address.**

DISASTER
FEMA-________-DR-____

PROJECT NO.

PA ID NO.

DATE

CATEGORY

DAMAGED FACILITY

WORK COMPLETE AS OF
__________ : __________ %

APPLICANT

COUNTY

LOCATION

LATITUDE

LONGITUDE

DAMAGE DESCRIPTION AND DIMENSIONS

SCOPE OF WORK

FHWA Detailed Damage Inspection Report

U.S. Department of Transportation
Federal Highway Administration

DETAILED DAMAGE INSPECTION REPORT

(Title 23, Federal-aid Highways)

	Report Number
	Sheet ______ of ______
Location *(Name of Road and Milepost)*	FHWA Disaster Number
	Inspection Date
Description of Damage	Federal-aid Route Number
	State — County

Cost Estimate

	Description of Work to Date (Equipment, Labor, and Materials)	Unit	Unit Price	Quantity	Cost	
					Completed	Remaining
Emergency Repair						
	Method					
	☐ Local Forces ☐ State Forces ☐ Contract			Subtotal		
				PE/CE		
				Emergency Repair Total		
Permanent Restoration						
	Method					
	☐ Local Forces ☐ State Forces ☐ Contract			Subtotal		
				PE/CE		
				Right-of-Way		
				Perm. Repair Totals		

Environmental Assessment Recommendation ☐ Categorical Exclusion ☐ EA/EIS	Estimated Total	
Recommendation ☐ Eligible ☐ Ineligible	FHWA Engineer	Date
Concurrence ☐ Yes ☐ No	State Engineer	Date
Concurrence ☐ Yes ☐ No	Local Agency Representative	Date

Form FHWA-1547 (Rev. 4-98)

This form was electronically produced by Elite Federal Forms, Inc.

Grant Management

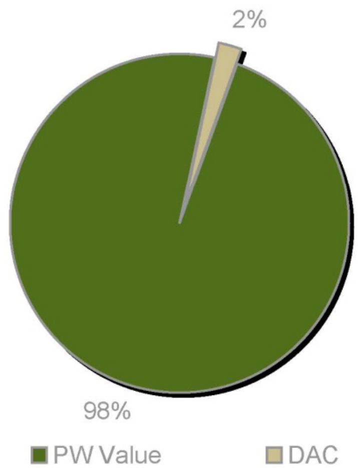
Public Assistance Funding Status Report — **Sunday, August 23, 2009**

City of Daytona Beach | Florida

FEMA DR-1840

Severe Storms, Flooding, Tornadoes, and Straight-line Winds

PW Value vs. DAC



PW Values by Category

A - Debris Removal	$	21,403
B - Emerg. Protective Measures		283,964
C - Roads & Bridges		3,300,000
D - Water Control Facilities		-
E - Building, Contents, & Equip		1,004,199
F - Utilities		190,657
G - Parks, Rec., & Other		-
Total	$	4,800,223

DAC by Category

A - Debris Removal	$	4,159
B - Emerg. Protective Measures		28,236
C - Roads & Bridges		24,176
D - Water Control Facilities		-
E - Building, Contents, & Equip		33,271
F - Utilities		17,424
G - Parks, Rec., & Other		-
Total	$	107,266

Project Code	Project Name	Category	PW Amount	% Complete	DAC
13-90198-19500	Prop. Maint	E	$ 221,000	90%	$ 12,608
13-90198-19505	Central Stores	E	194,000	90%	6,377
13-90198-19507	Admin	E	65,000	90%	2,519
13-90198-19506	Streets/Fleet	E	267,000	90%	5,055
13-90198-19501	Peninsula Club	E	21,000	65%	1,090
13-90198-19503	Genereal Rec	E	35,000	30%	2,575
13-90198-19504	Fire Dept.	E	2,400	75%	305
13-90198-19508	Fire Station #7	E	13,027	99%	705
13-90198-19510	Cornelia Young	E	10,772	65%	452
13-90198-19511	Bethune PT WWTP	E	100,000	75%	990
13-90198-19202	Police Department	B	48,000	25%	3,600
13-90198-19203	Fire Department	B	36,000	95%	3,716
13-90198-19205	Support Services	B	18,000	35%	890
13-90198-19509	Vehicles	E	75,000	75%	595
13-90198-19200	Public Works	B	101,728	100%	12,525
13-90198-19204	Utilities	B	80,236	100%	7,504
13-90198-19300	Road Repair	C	3,300,000	100%	24,176
13-90198-19400	Debris Removal	A	21,403	100%	4,159
13-90198-19700	Utilities Q1	F	37,157	75%	3,971
13-90198-19701	Utilities Q2	F	47,412	75%	3,164
13-90198-19702	Utilities Q3	F	27,918	75%	2,750
13-90198-19703	Utilities Q4	F	78,171	75%	7,539
			$ 4,800,223	2.23%	$ 107,266

figures are subject to change pending reconicliation of field documents

Grant Management

FRS Timesheet - Direct Administrative Costs Thursday, September 24, 2009

City of Daytona Beach | Florida

FEMA DR-1840 | Severe Flooding
Public Assistance Consulting

An SAIC Company

Employee Name: **Hoyle, Jon** Project: **CODB-B-001 \ Public Works**

Time	Listing				Formulation										Process				Management						
	Sub-Applicant Site Identification	Immediate Needs	Data Collection & Dissimenation	Travel Expenses	Financial Compliance Reviews	Other Funding Anticipation	Site Visits	Project Description Development	Project Scope Development	Project Cost Estimation & Documentation	Alternate Site Project Request	Site Improvement Project Request	PW Writing	Travel & Expense	Additional Documentation Requests	Alternate Projects Development	Improved Projects Development	Travel & Expense	Project Payment Requests	Project Cost Reconciliations	Project Inspection Request	Evaluating/Estimating Cost Overruns	Preparing PW Versions for Cost Adjustments	Other Program Management/Close-out Activitie	Travel & Expenses
7:00 AM																			X						
7:30 AM								X																	
8:00 AM				X																					
8:30 AM				X																					
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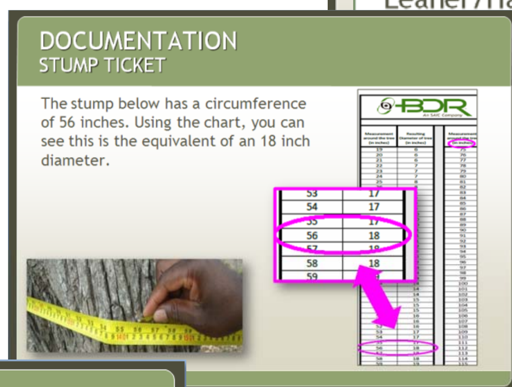
6:30 PM												X													
7:00 PM																									
7:30 PM																									
Total 11.5	2.0	-	-	1.0	2.0	-	2.0	0.5	-	2.0	-	1.5	-	-	-	-	-	-	0.5	-	-	-	-	-	-

Field Monitor Training Program

To properly train newly hired employees BDR has developed training procedures that include training modules and experienced trainers to implements them. These modules are complete with the information required to facilitate accurate field monitoring. Included in the training modules are qualifying tools to ensure the retention of the material provided. This will help BDR select and promote the most qualified personnel for the monitoring task needed.

Training modules include the following modules:

- **Truck Certification**
- **Collection Monitor**
- **Disposal Monitor**
- **Leaner/Hanger Monitor**
- **Stump Monitor**
- **Backfill Monitor**
- **Project Coordinator**
- **Field Supervisor**



Resource Allocations

Resource	Quantity Available
Staff	
Collection Monitors	3,200
Disposal Monitors	3,200
Field Supervisors (10:1 Monitor : Field Supervisor Ratio)	150
Project Coordinators	75
Data Entry	150
Field Documents	
Truck Certification Forms	17,624
Time and Materials Forms	9,446
Load Tickets	918,053
Unit Rate Tickets	813,701
Haul Out Tickets	253,241
Placards	4,500
Kits	
Project Manager Kit (1 kit = 100 monitors)	40
Project Coordinator Kit (1 kit = 100 monitors)	20
Human Resources Kit	40
Collection Monitor Kit (1 kit = 25 monitors)	90
Disposal Monitor Kit (1 kit = 1 tower = 100 monitors)	40
Leaner/Hanger/Stump Kit (1 kit = 15 monitors)	40
Equipment	
Laptop (with internet access)	250
Scanner	25
Printer	250
Data Trailers	2
Gas Truck	3
Infrastructure	
Technical IT Support Staff	
Field IT Support (Communications and field datacenter support)	20*
Application Developers (Custom reporting, enhancements and support)	5*
GIS Analyst (Near real time mapping and web based data and reports	4*
Network Datacenter Engineers (Corporate datacenter support)	3*
Applications/Services	
Call Center/Information Hotline	300+ line operators
RecoveryTrac – Field Document Management and Reporting	Unlimited (# of Users)
BRMS – Field Labor Employee and Time Management	Unlimited (# of Users)
SharePoint 2007 – Client and Field Operations Information Management Portal	Unlimited (# of Users)
Citrix Secure Remote Desktop – Desktop Virtualization	500 + Users
ESRI ArcGIS – Fully feature GIS Data Management and Web Reporting	Unlimited (# of Users)
Network-Server Capabilities	
Hardened Corporate Datacenter (99.99% Available, Co-located in Denver, CO)	Physically secured, emergency power and A/C,
Servers (VM-Ware Hi-Availability Custer) – Rapid deployment and recovery	5 fully redundant enterprise class servers
High-bandwidth redundant Network – Core Internet backbone connectivity	100Mbps + per connection
High Performance Datacenter SAN Data storage	15,000GB (15TB) + online storage capacity
Field Communication Kits (Cellular and Satellite Voice and Data Capabilities)	40

***Additional staff available through SAIC as needed.**

Fraud Prevention

FRAUD DOESN'T PAY...

UNLESS YOU LIKE ORANGE JUMPSUITS.

If you falsify Federal Documents, take money in exchange for services, or provide special treatment to contractors for money, you are committing fraud and ***you will go to jail!***

$5,000 ANTI-FRAUD REWARD PROGRAM

Rewards of up to $5,000 may be paid to persons providing information to Beck Disaster Recovery, Inc. (BDR) leading to the arrest and conviction of persons committing fraudulent activities, including:

- Falsifying BDR documents or records
- Falsifying Federal documents
- Covering-up or failure to report falsification of BDR documents or records
- Taking money in exchange for services
- Providing special treatment to contractors for money or other value

Persons may report suspected fraud confidentially or anonymously to BDR at

1-866-960-2325

A person may be subject to civil liability for furnishing such information, if such report is made with malice or bad faith.

ATTACHMENT H

PUBLIC ENTITY CRIMES CERTIFICATION

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to the City of Key West, Florida, by Betty Kamara, Contracts Administrator
   (print individual's name and title)

   for Science Applications International Corporation
   (print name of entity submitting sworn statement)

   whose business address is 2301 Lucien Way, Suite 120, Maitland, FL 32751 and (if applicable) its Federal Employer Identification Number (FEIN) is

   (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement 95-3630868):

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any Proposal or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolocontendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   1. A predecessor or successor of a person convicted of a public entity crime: or

   2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which Proposals or applies to Proposal on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

 X Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

___The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before an Administrative Law Judge of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Administrative Law Judge determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

____
(SIGNATURE)

May 2, 2011
(DATE)

STATE OF Florida

COUNTY OF Orange

PERSONALLY APPEARED BEFORE ME, the undersigned authority

Science Applications International Corporation ______who, after first being sworn by me,

Betty Kamara ______________ (name of individual) affixed his/her signature in the space

provided above on this 2nd day of May, 2011.

____

NOTARY PUBLIC

Sandra Fajardo-Cortes

Printed Name

My commission expires: March 9, 2014

ATTACHMENT I

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS:

COUNTY OF ~~MONROE~~ Orange

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

This sworn statement is submitted to the City of Key West, Florida, by Betty Kamara, Contracts Administrator
(print individual's name and title)

for Science Applications International Corporation
(print name of entity submitting sworn statement)

whose business address is 2301 Lucien Way, Suite 120, Maitland, FL 32751

and (if applicable) its Federal Employer Identification Number (FEIN) is

(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement): 95-3630868

I, the undersigned, being hereby duly sworn, depose and say that no sum has been paid and no sum will be paid to any employee or elected official of the City of Key West as a commission, kickback, reward or gift, directly or indirectly, by me or any member of my company, or by any officer or agent of the corporation.

BY:______________________________

TITLE: Contracts Administrator

sworn and prescribed before me this 2nd day of May, 2011.

____

NOTARY PUBLIC, State of Florida
My commission expires: March 9, 2014

ATTACHMENT J

CONFLICT OF INTEREST STATEMENT

Proposer must disclose the name of any person that is an employee of the City and also an officer, director, employee or agent of the Proposer, or a relative of an officer, director, employee or agent of the Proposer. Further, each Proposer must disclose the name of any City employee that owns, directly or indirectly, an interest of one percent (1%) or more in the Proposer's company, its affiliates, or parent or subsidiary organizations.

N/A

Persons Name

Describe the Persons Possible Conflict of Interest

SAIC nor any employee thereof, has any conflict of interest, either direct or indirect, in connection with the services sought in the City's request for proposals.

In addition, within the past seven years, SAIC has not had a contract related to debris removal monitoring cancelled due to lack of performance.

ATTACHMENT K

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

a. **Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.**

b. **Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.**

c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.

- [x] Not a local vendor pursuant to Ordinance 09-22 Section 2-798
- [ ] Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business. N/A

Business Name: ________________________________ Phone: ________________

Current Local Address: ___________________________ FAX: ________________
(P.O Box numbers may not be used to establish status)

Length of time at this address ____

_________________________________ ________________________
Signature of Authorized Representative Date

STATE OF____________________

COUNTY OF__________________

The foregoing instrument was acknowledged before me this _________day of ________, 20___.

By____, of___________________________
(Name of officer or agent, title of officer or agent acknowledging) Name of corporation

or has produced ____as identification
(type of identification)

____
Signature of Notary

____
Print, Type or Stamp Name of Notary

____
Title or Rank

Return Completed form with
Supporting documents to:
City of Key West Purchasing

ATTACHMENT L

ACKNOWLEDGEMENT OF CONFORMANCE WITH O.S.H.A. STANDARDS

TO: CITY OF KEY WEST

Proposer's Name: Science Applications International Corporation, hereby acknowledge and agree that I/We have the sole responsibility for compliance with all requirements of the Federal Occupational Safety and Health Act of 1970, and all State and Local Safety and Health regulations, and agree to indemnify and hold harmless the CITY, its officers, agents, employees, and consultants against any and all legal liability or loss the CITY, its officers, agents, employees, and consultants may incur due to failure to comply with such act.

____
ATTEST

Science Applications International Corporation
PROPOSERS NAME

____
ATTEST

By: Betty Kamara

Title: Contracts Administrator

May 2, 2011
DATE

ATTACHMENT M

COPY OF STATE OF FLORIDA BUSINESS LICENSE; CORPORATE FILINGS; OR ARTICLES OF INCORPORATION AS REQUIRED BY THE SECRETARY OF STATE, FLORIDA

A copy of SAIC's Certificate of Status, certifying the firm is authorized to transact business in the State of Florida, is provided on the subsequent page.

State of Florida

Department of State

I certify from the records of this office that SCIENCE APPLICATIONS INTERNATIONAL CORPORATION is a corporation organized under the laws of Delaware, authorized to transact business in the State of Florida, qualified on February 8, 1984.

The document number of this corporation is P00868.

I further certify that said corporation has paid all fees due this office through December 31, 2010, that its most recent annual report was filed on April 13, 2010, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the Great Seal of Florida, at Tallahassee, the Capital, this the Eleventh day of January, 2011

Jennifer Kennedy

Secretary of State

GREAT SEAL OF THE STATE OF FLORIDA

IN GOD WE TRUST

Authentication ID: **900191024599-011111-P00868**

To authenticate this certificate,visit the following site, enter this ID, and then follow the instructions displayed.

https://efile.sunbiz.org/certauthver.html

ATTACHMENT N

MINIMUM REQUIREMENTS FOR EVIDENCE OF INSURABILITY

Insurance / Evidence of Insurability

1. CONTRACTOR shall secure and maintain throughout the duration of this Agreement insurance of such types and in such amounts as specified below, naming the CITY as an additional insured, underwritten by a firm qualified to do business in the State of Florida. CONTRACTOR shall not permit allow any Subcontractor to commence work on its Subcontract until the insurance required of the Subcontractor has been obtained an approved.

2. All insurance policies shall be issued by companies authorized in the State of Florida, with an A.M. Best rating of A-:VI or higher and shall provide evidence of such insurance to the CITY. The policies or certificates shall provide thirty (30) days prior to cancellation written notices for all of the required insurance policies stated below. All notices shall name the CONTRACTOR and identify the agreement or contract number. The City of Key West, all Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees are to be added as "additional insured" as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

3. The status of the CONTRACTOR in the work to be performed outlined in this contract shall be that of an independent Contractor. As such, CONTRACTOR shall properly safeguard against any and all damage, loss or injury to persons or property that may arise, or be incurred in or during the conduct or progress of said work without regard to whether or not CONTRACTOR, its Subcontractors, agents, or employees have been negligent.

4. The CONTRACTOR shall assume all responsibility for risks or casualties of every description, for any and all damage, loss or injury, to persons or property arising out of the nature of the work; negligence or failure of its employees and Subcontractors to comply with the Contract Documents; arising from action of the elements or from any unforeseen or unusual difficulty. The CONTRACTOR shall indemnify and save harmless the CITY, and all of its officers, agents and employees from all claims, demands and liabilities of any kind whatsoever in connection with work resulting from any acts of omission or commission chargeable to the CONTRACTOR, its Subcontractors and/or their respective duly authorized servants and/or employees. The CONTRACTOR agrees that the foregoing indemnification clause shall be insured under its Commercial General Liability policy, which must be endorsed to include Contractual Liability. If the CITY deems it necessary, the CONTRACTOR shall produce evidence of claims that have eroded the aggregate limit.

5. WORKER'S COMPENSATION INSURANCE - The CONTRACTOR shall procure and shall maintain during the life of this Contract Workmen's Compensation Insurance in compliance with the Compensation law of the State of Florida for all of its employees to be engaged in such work at the site of the project under this Agreement and in case of any such work is sublet, the CONTRACTOR shall require the Subcontractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by

the CONTRACTOR 's Workmen's Compensation Insurance. In case any class of employees engaged in hazardous work on the project under this Contract is not protected under Workmen's Compensation Statute, the CONTRACTOR shall provide and shall cause such Subcontractor to provide adequate employer's liability insurance for the protection of such if its employees are not otherwise protected.

6. Contractor's Commercial General Liability Insurance and Automobile Liability Insurance
   a. The CONTRACTOR 's Commercial General Liability (CGL) shall be in an amount acceptable to the CITY but not less than $1,000,000.
   i. Combined Single Limit per occurrence and $2,000,000 annual aggregate per project. The City of Key West must be named as an additional insured. The coverage must include:
      a. Commercial Form
      b. Premises/Operations

7. CONTRACTOR shall maintain products/completed Operations
   a. Independent Contractors (if any part of the Work is to be subcontracted)
   b. Broad Form Property Damage
   c. Personal Injury
   d. Cross-Liability Coverage

8. CONTRACTOR shall maintain products/completed operations coverage with a combined single limit no less than $1,000,000 per occurrence of bodily injury/property damage for a period of at least twelve (12) months following final acceptance of Contractor's work by the CITY.

9. The CONTRACTOR's Commercial automobile Liability insurance must provide coverage for owned, non-owned, and hired vehicles and trailers used in connection therewith, with a combined single limit for bodily injury and property damage no less than $1,000,000 per occurrence, with the City of Key West named as additional insured.

10. The insurance required herein and approval of CONTRACTOR's insurance by the CITY shall not relieve or decrease the liability of the CONTRACTOR hereunder.

11. SUBCONTRACTOR'S COMMERCIAL GENERAL LIABILITY INSURANCE AND VEHICLE LIABILITY INSURANCE - The Contractor shall either (1) require each of its Subcontractors to procure and to maintain during the life of its subcontract, Commercial General Liability Insurance and Vehicle Liability Insurance of the type and in the amounts specified in Sub-Paragraph 10.6 hereof, or; (2) to insure the activities of its Subcontractors in its policy, as specified in Sub-Paragraph 10.6 hereof.

12. SCOPE OF INSURANCE AND SPECIAL HAZARDS - The insurance required under Sub-Paragraph 3 and 4 hereof is a minimum to provide adequate protection for the Contractor and its Subcontractors, respectively, against damage claims which may arise from operations under this Contract, whether such operation be by the insured or by anyone directly or indirectly employed by the insured and, also against any of the special hazards which may be encountered in the performance of this Contract.

13. RENEWAL REQUIREMENTS- If any of the property or casualty insurance requirements are not complied with at their renewal dates, payments to the Contractor will be withheld until those requirements have been met or, at the option of the City of Key West, City of Key West may pay the renewal premium and withhold such payment from any monies due the Contractor.

14. CLAIMS- In the event that claims in excess of the insured amounts provided are filed by reason of any operations under the services provided by the Contractor, the amount of excess of such claims, or any portion thereof, may be withheld from payment due until such time as the Contractor shall furnish such additional security covering such claims as may be determined by the City of Key West.

SAIC has an excellent insurance program for its professional services and we are confident that we can comply with the insurance requirements set forth by the City.

A copy of SAIC's Memorandum of Insurance is provided on the subsequent pages.

MEMORANDUM OF INSURANCE

This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without the consent of Science Applications International Corp. (SAIC) is prohibited. "Authorized viewer" shall mean an entity or person which is authorized by the insured named herein to access this Memorandum via http://www.saic.com/customer/moi/ . The information contained herein is valid as of today's date, and shall be updated upon any material policy changes and upon each policy's renewal.

BROKER	COMPANIES AFFORDING COVERAGE
Marsh Risk & Insurance Services ("Marsh")	Co. A National Union Fire Insurance Company of Pittsburgh, PA
INSURED Science Applications International Corporation 10260 Campus Point Drive, M/S D6 San Diego, CA 92121	Co. B New Hampshire Insurance Company Co. C The Insurance Company of the State of Pennsylvania Co. D Underwriters at Lloyd's, London (A F Beazley #623 & #2623) Co. E Factory Mutual Insurance Company

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
A	**GENERAL LIABILITY** COMMERCIAL GENERAL LIABILITY INCLUDING CONTRACTUAL LIABILITY (per ISO Form CG0001 12/07) OCCURRENCE FORM	GL 4406261	04/01/11	04/01/12	GENERAL AGGREGATE	$ 10,000,000
					PRODUCTS - COMP/OP AGG	$ 2,000,000
					PERSONAL & ADV INJURY	$ 1,000,000
					EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (ANY ONE FIRE)	$ 1,000,000
					MED EXP (ANY ONE PERSON)	$ 10,000
A A A	**AUTOMOBILE LIABILITY** COVERING ANY OWNED AUTOS, HIRED AUTOS & NON-OWNED AUTOS	CA 4309415 (All Other States) CA 4309416 (MA) CA 4309417 (VA)	04/01/11 04/01/11 04/01/11	04/01/12 04/01/12 04/01/12	COMBINED SINGLE LIMIT	$ 1,000,000
A	**UMBRELLA LIABILITY** UMBRELLA FORM	25030246	04/01/11	04/01/12	EACH OCCURRENCE	$ 10,000,000
					AGGREGATE	$ 10,000,000
B C C B B A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** INCLUDES USL&H THE PROPRIETOR / PARTNERS / EXECUTIVE OFFICERS ARE: INCLUDED	WC 061967336 (All Other States) WC 061967337 (CA) WC 061967341 (MA) WC 061967338 (FL) WC 061967339 (TX) WC 061967340 (WI)	04/01/11 04/01/11 04/01/11 04/01/11 04/01/11 04/01/11	04/01/12 04/01/12 04/01/12 04/01/12 04/01/12 04/01/12	WORKERS COMP LIMITS	STATUTORY
					EL EACH ACCIDENT	$ 3,000,000
					EL DISEASE - POLICY LIMIT	$ 3,000,000
					EL DISEASE - EACH EMPLOYEE	$ 3,000,000
D	**PROFESSIONAL LIABILITY** INCLUDING CONTRACTOR'S POLLUTION LEGAL LIABILITY CLAIMS MADE BASIS	QF 026610	06/30/10	06/30/11	EACH CLAIM	$ 10,000,000
					AGGREGATE	$ 10,000,000
E	**ALL RISK PROPERTY** INCLUDING ALL REAL & PERSONAL PROPERTY OF INSURED, AND PROPERTY OF OTHERS WHERE REQUIRED	UB755	10/01/10	10/01/11	AMOUNT OF INSURANCE	$ 1,000,000

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

MEMORANDUM OF INSURANCE

BROKER	**INSURED**
Marsh Risk & Insurance Services ("Marsh") 777 South Figueroa Street Los Angeles, CA 90017	Science Applications International Corporation 10260 Campus Point Drive, M/S D6 San Diego, CA 92121

ADDITIONAL INFORMATION

Please note that the above Liability policies are endorsed to provide that our customers and any other organizations or persons where required by contract or agreement we enter into are named as Additional Insureds under these policies. Additionally, coverage applies on a primary basis where required by contract, and, a waiver of subrogation is provided in favor of any person or organization required pursuant to the terms of any contract or agreement we enter into.

Please note that the above Property policy is endorsed to provide that our customers and any other organizations or persons where required by contract or agreement we enter into are named as Loss Payees As Their Interest May Appear under this policy.

Should you wish to view these endorsements, or print a copy for your files, please click on the below links.

GENERAL LIABILITY ENDORSEMENTS:

Additional Insured – Where Required Under Contract Or Agreement (AIG Form 61712 (9/01))
http://www.saic.com/customer/moi/download/GL_Where_Required_by_Contract.pdf

Additional Insured – Managers or Lessors of Premises (Form CG 20 11 01 96)
http://www.saic.com/customer/moi/download/GL_Mgr_or_Lessors_of_Premises.pdf

Additional Insured – Lessor of Leased Equipment (CG 20 28 07 04)
http://www.saic.com/customer/moi/download/GL_Lessor_of_LeasedEquip.pdf

Additional Insured – Vendors (Form CG 20 15 07 04)
http://www.saic.com/customer/moi/download/GL_Vendors.pdf

Additional Insured – Primary Insurance (AIG Form 74434 (10/99))
http://www.saic.com/customer/moi/download/GL_Primary_Insurance.pdf

Waiver Of Transfer Of Rights Of Recovery Against Others To Us (CG 24 04 10 93)
http://www.saic.com/customer/moi/download/GL_Waiver_of_Subrogation.pdf

AUTOMOBILE LIABILITY ENDORSEMENTS:

Additional Insured – Where Required Under Contract Or Agreement (AIG Form 87950 (10/05))
http://www.saic.com/customer/moi/download/AL_Where_Req'd_by_Contract.pdf

Lessor – Additional Insured and Loss Payee (CA 20 01 10 01)
http://www.saic.com/customer/moi/download/AL_Lessor_Loss_Payee.pdf

Insurance Primary As To Certain Additional Insureds (AIG Form 74445 (10/99))
http://www.saic.com/customer/moi/download/AL_Primary_Insured.pdf

Waiver of Transfer of Rights Of Recovery Against Others To Us (AIG Form 62897 (06/95))
http://www.saic.com/customer/moi/download/AL_Waiver_of_Subrogation.pdf

WORKERS' COMPENSATION & EMPLOYERS LIABILITY ENDORSEMENTS:

Waiver of Our Right To Recover From Others
http://www.saic.com/customer/moi/download/WC_Waiver_of_Subrogation.pdf

Alternate Employer Endorsement

http://www.saic.com/customer/moi/download/WC AE Endorsements.pdf

UMBRELLA LIABILITY ENDORSEMENTS:

Additional Insured – please note that because the AIG Umbrella Prime form #80517 05/06 policy definition of an Insured includes: "Any person or organization, other than the Named Insured, included as an additional insured under the Schedule of Underlying Insurance, but not for broader coverage than would be afforded by such Schedule of Underlying Insurance" that there is no separate Additional Insured endorsement applicable to this policy. Therefore, if you are an Additional Insured on the General Liability or Automobile Liability policies above, that status extends to the Umbrella Liability policy as well.

Transfer of Rights of Recovery (Waiver of Subrogation) – please note that because the AIG Umbrella Prime form #80517 05/06 policy states that "If, prior to the time of an Occurrence, you and the insurer of Scheduled Underlying Insurance waive any right of recovery against a specific person or organization for injury or damage as required under an Insured Contract, we will also waive any rights we may have against such person or organization." that there is no separate Waiver of Subrogation endorsement applicable to these policy. Therefore, if you are granted a Waiver of Subrogation on the General Liability, Automobile Liability or Employers Liability policies above, that status extends to the Umbrella Liability policy as well.

PROFESSIONAL LIABILITY ENDORSEMENTS:

Additional Insured – Where Required by Contract or Agreement
http://www.saic.com/customer/moi/download/07-08_E&O.pdf

Waiver of Subrogation – please note that the policy wording states that "However, it is agreed that the Underwriters waives its rights of subrogation under this policy against any person or organization as respects Claims arising from Professional Services or Contracting Services provided under a contract to perform such Professional Services or Contracting Services which requires a waiver of subrogation, but only to the extent required by written contract. Therefore, if our contract requires we waive our rights of subrogation in your favor, the waiver extends to this policy.

NOTICE OF CANCELLATION:

Please note that due to the very large number of contracts that SAIC and its subsidiaries enter into each year, the above policies do not contain an endorsement obligating the insurer to provide any advance written notice directly to anyone but SAIC. However, insurers have endorsed their policy to provide SAIC with 90 days advance written notice of any cancellation (except 10 days for non-payment of premium) so as to enable SAIC to provide any required Notices to its customers in accordance with agreed to contract terms and conditions.

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. GL 440-62-61 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURG, PA

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION II - WHO IS AN INSURED, is amended to include as an additional insured:

Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you. However, the insurance provided will not exceed the lesser of:

- The coverage and/or limits of this policy, or
- The coverage and/or limits required by said contract or agreement.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You): **ANY PREMISES OR PART THEREOF LEASED TO YOU.**
2. Name of Person or Organization (Additional Insured): **ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS THE MANAGER OR LESSOR OF PREMISES TO YOU.**
3. Additional Premium: **INCLUDED**

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section **II**) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.

2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS A LESSOR UNDER TERMS OF AN EQUIPMENT LEASING CONTRACT YOU ENTER INTO WITH SUCH PERSONS OR ORGANIZATIONS.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – VENDORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
ALL VENDORS	ALL PRODUCTS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:

a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

b. Any express warranty unauthorized by you;

c. Any physical or chemical change in the product made intentionally by the vendor;

d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(1) The exceptions contained in Subparagraphs **d.** or **f.;** or

(2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

ENDORSEMENT

This endorsement, effective **12:01 A.M. 04/01/2011** forms a part of

Policy No. GL 440-62-61 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

ADDITIONAL INSURED - PRIMARY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY COVERAGE FORM

Section IV, Commercial General Liability Conditions, paragraph 4., Other Insurance, subparagraph a. Primary Insurance, is amended by the addition of the following:

However, coverage under this policy afforded to an additional insured will apply as primary insurance where required by contract, and any other insurance issued to such additional insured shall apply as excess and noncontributory insurance.

Authorized Representative

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization: "PURSUANT TO APPLICABLE WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO."
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-15 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:
"Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person or organizations liability arising out of the use of a covered "auto".

I. **SECTION II - LIABILITY COVERAGE, A. Coverage, 1. – Who Is Insured,** is amended to add:

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-15 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT – NEW YORK

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:

I. **SECTION II - LIABILITY COVERAGE, A. Coverage, 1. – Who Is Insured,** is amended to add:

"Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person or organizations liability arising out of the use of a covered "auto".

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided through this endorsement will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 04/01/2011	Countersigned By:
Named Insured: **SAIC, INC.** **SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**	(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s): “Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person or organizations liability arising out of the use of a covered "auto".

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-17 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:
"Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person or organizations liability arising out of the use of a covered "auto".

I. **SECTION II - LIABILITY COVERAGE, A. Coverage, 1. – Who Is Insured,** is amended to add:

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA LESSOR – ADDITIONAL INSURED AND LOSS PAYEE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 04/01/2011	Countersigned By:
Named Insured: SAIC, INC.	(Authorized Representative)

SCHEDULE

Insurance Company NATIONAL UNION FIRE INS CO OF PITTSBURGH, PA Policy Number CA 430-94-16 Effective Date 04/01/2011	Expiration Date 04/01/2012
Named Insured SAIC, INC. Address 10260 CAMPUS POINT DR., M/S A3-G SAN DIEGO, CA 92121	
Additional Insured (Lessor) ANY LESSOR UNDER CONTRACT OR AGREEMENT THAT REQUIRES YOU TO PROVIDE DIRECT PRIMARY INSURANCE FOR THAT LESSOR Address	
Designation or Description of Leased "Autos" ANY AUTO LEASED UNDER CONTRACT OR AGREEMENT THAT REQUIRES YOU TO PROVIDE DIRECT PRIMARY INSURANCE FOR THE LESSOR	

Coverages	Limit Of Insurance
Liability	$ Each "Accident"
Medical Expense Benefits Income Loss Benefits	$ Each Person $ Each Person
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered "Auto"
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered "Auto"
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered "Auto"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Coverage

1. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow. For a covered "auto" that is a "leased auto" **Who Is An Insured** is changed to include as an "insured" the lessor named in the Schedule.

2. The coverages provided under this endorsement apply to any "leased auto" described in the Schedule until the expiration date shown in the Schedule, or when the lessor or his or her agent takes possession of the "leased auto", whichever occurs first.

B. Loss Payable Clause

1. We will pay, as interest may appear, you and the lessor named in this endorsement for "loss" to a "leased auto".

2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.

3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

C. Cancellation

1. If we cancel the policy, we will mail notice to the lessor in accordance with the Cancellation Common Policy Condition.

2. If you cancel the policy, we will mail notice to the lessor.

3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. Additional Definition

As used in this endorsement:

"Leased auto" means an "auto" leased to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing agreement that requires you to provide direct primary insurance for the lessor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LESSOR - ADDITIONAL INSURED AND LOSS PAYEE

MASSACHUSETTS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: **SAIC, INC.**
Endorsement Effective Date: **04/01/2011**
Countersignature Of Authorized Representative
Name:
Title:
Signature:
Date:

SCHEDULE

Insurance Company: **NATIONAL UNION FIRE INS CO OF PITTSBURGH, PA**	
Policy Number: CA 430-94-17	**Effective Date:** **04/01/2011**
Expiration Date: **04/01/2012**	
Named Insured: **SAIC, INC.**	
Address: 10260 CAMPUS POINT DR, M/S A3-G SAN DIEGO, CA 92121	
Additional Insured (Lessor): **AS KNOWN TO INSURER**	
Address:	
Designation Or Description Of "Leased Autos": **ON FILE WITH COMPANY**	

COVERAGES	LIMITS OF INSURANCE
COMPULSORY BODILY INJURY	$20,000 EACH PERSON $40,000 EACH ACCIDENT
LIABILITY INSURANCE	
OPTIONAL BODILY INJURY	$ EACH PERSON $ EACH ACCIDENT
PROPERTY DAMAGE (COMPULSORY LIMIT $5,000)	$ EACH ACCIDENT
LIABILITY	$ 1,000,000 EACH ACCIDENT
PHYSICAL DAMAGE INSURANCE	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS
COMPREHENSIVE	$ Deductible FOR EACH COVERED AUTO
SPECIFIED CAUSES OF LOSS	$ Deductible FOR EACH COVERED AUTO
COLLISION	$ Deductible FOR EACH COVERED AUTO
LIMITED COLLISION	$ Deductible FOR EACH COVERED AUTO
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Coverage**

1. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

2. For a "leased auto" designated or described in the Schedule, **Who Is An Insured** is changed to include as an "insured" the lessor named in the Schedule. However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:

   a. You;
   b. Any of your "employees" or agents; or
   c. Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.

3. The coverages provided under this endorsement apply to any "leased auto" described in the Schedule until the expiration date shown in the Schedule, or when the lessor or his or her agent takes possession of the "leased auto," whichever occurs first.

B. **Loss Payable Clause**

1. We will pay, as interest may appear, you and the lessor named in this endorsement for "loss" to a "leased auto."

2. The insurance covers the interest of the lessor unless the “loss” results from fraudulent acts or omissions on your part or if the loss is the result of arson, theft or any other means of disposal committed by you or at your direction.

3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

C. **Cancellation**

1. If we cancel the policy, we will mail notice to the lessor in accordance with the Cancellation Condition.

2. If you cancel the policy, we will mail notice to the lessor.

3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. **Additional Definition**

As used in this endorsement:

“Leased auto” means an “auto” leased or rented to you, including any substitute, replacement or extra “auto” needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

Insurance Primary as to Certain Additional Insureds

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-15 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

Insurance Primary as to Certain Additional Insureds

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-16 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

> The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

Insurance Primary as to Certain Additional Insureds

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-17 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-15 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recovery we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an “accident” or “loss” if:

(1) The “accident” or “loss” is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
(2) The contract or agreement was entered into prior to any “accident” or “loss”.

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovered funds obtained by any injured employee.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-16 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recovery we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

(1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
(2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovered funds obtained by any injured employee.

AUTHORIZED REPRESENTATIVE

62897 (6/95)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2011 forms a part of

Policy No. CA 430-94-17 issued to SAIC, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recovery we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

(1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
(2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovered funds obtained by any injured employee.

AUTHORIZED REPRESENTATIVE

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

"ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS"

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah or Washington.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7336 Endorsement No.
Insured Premium
SAIC, INC.

Insurance Company Countersigned by ______________________
NEW HAMPSHIRE INSURANCE COMPANY

UTAH WAIVER OF SUBROGATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Utah is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule. Our waiver of rights does not release your employees' rights against third parties and does not release our authority as trustee of claims against third parties.

Schedule

"ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS"

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7336 Endorsement No.
Insured Premium $ INCLUDED
SAIC, INC.

Insurance Company Countersigned by ________________________
NEW HAMPSHIRE INSURANCE COMPANY

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

"ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS"

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah or Washington.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7338 Endorsement No.
Insured Premium
SAIC, INC.

Insurance Company
NEW HAMPSHIRE INSURANCE COMPANY

Countersigned by ____________________

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. ( ) Specific Waiver
   Name of person or organization

   (X) Blanket Waiver
   Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:
   ALL TEXAS OPERATIONS

3. Premium:
   The premium charge for this endorsement shall be 2% percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium: INCLUDED

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7339 Endorsement No.
Insured Premium $ INCLUDED
SAIC, INC.

Insurance Company Countersigned by ____________________
NEW HAMPSHIRE INSURANCE COMPANY

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

"ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS"

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah or Washington.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7340 Endorsement No.
Insured Premium
SAIC, INC.

Insurance Company Countersigned by ______________________
NATIONAL FIRE INS CO OF PITTSBURGH, PA.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

"ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS"

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah or Washington.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 04/01/2011 Policy No. WC 061-96-7341 Endorsement No.
Insured Premium
SAIC, INC.

Insurance Company Countersigned by ____________________
THE INS CO OF THE STATE OF PENNSYLVANIA

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2415

Issued to SAIC, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

Countersigned by ______________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2415

Issued to SAIC, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in the schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

Alternate Employer	Address	State of Special or Temporary Employment
ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES		

Countersigned by ______________________________

Authorized Representative

CALIFORNIA BROAD FORM ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2416

Issued to SAIC, INC.

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by all alternate employers. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be canceled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

Contract or Project:

ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

WC 99 04 25
(Ed. 05/06)

Countersigned by ____________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2417

Issued to SAIC, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

WC 00 03 01A
(Ed. 02/89)

Countersigned by ________________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2418

Issued to SAIC, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address	(2) State of Special or Temporary Employment	(3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

Countersigned by ______________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2419

Issued to SAIC, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in the schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

Alternate Employer	Address	State of Special or Temporary Employment
ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES		

WC 00 03 01
(Ed. 4/84)

Countersigned by ______________________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2420

Issued to SAIC, INC.

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

WC 00 03 01A
(Ed. 02/89)

Countersigned by ____________________

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 04/01/2010 forms a part of Policy No. WC 020-34-2421

Issued to SAIC, INC.

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

Countersigned by ______________________

Authorized Representative

ENDORSEMENT NO. 4

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

It is agreed that any person or organization as required by contract or agreement is included as an Additional Insured, but solely with respect to liability arising out of Professional Services or Contracting Services performed by or on behalf of the Named Insured and only to the extent required by contract or agreement, subject to the Limit of Liability and all other terms, conditions and limitations of this policy. It is further agreed that this insurance will be primary and non-contributory with any other available insurance, when required by contract or agreement.

All other terms and conditions remain unaltered.

ATTACHMENT O

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING DEBRIS REMOVAL AND RELATED SERVICES PROVIDER: COPY OF CONTRACT DOCUMENTS

A copy of SAIC's standard Professional Services Agreement is provided on the subsequent pages.

Professional Services Agreement
Contract No. RFP 008-11
For Monitoring of Debris Removal and Related Services

This Agreement, effective ____________________, 20__, is between the ______________________________ ("Customer"), having an office at ____and Science Applications International Corporation ("SAIC"), a Delaware corporation, having an office at 2301 Lucien Way, Suite 120, Maitland, FL 32751.

I. DESCRIPTION OF PROFESSIONAL SERVICES

SAIC shall provide to Customer the Professional Services ("Services") described in Exhibit A. The Services shall be provided subject to the Terms and Conditions, which follow.

II. CITY OF ALVIN, TEXAS AND SAIC ADMINISTRATIVE CONTACTS

Name	Name
Title	Title
Customer's Full Legal Name	Science Applications International Corporation
Street Address 1	Street Address 1
Street Address 2	Street Address 2
City, State Zip	City, State Zip
Tel. No.	Tel. No.
Fax No.	Fax No.

In consideration of the mutual obligations assumed under this Agreement, SAIC and Customer agree to the Terms and Conditions attached hereto and incorporated by reference and represent that this Agreement is executed by duly authorized representatives as of the dates below.

AGREED BY:	**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**
________________________________	
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

TERMS AND CONDITIONS

1. Services
   SAIC will perform the services (“Services”) and deliver the deliverables (“Deliverables”) described in the Statement of Work, set forth in Exhibit A.

2. Place of Performance
   Unless otherwise provided in this Agreement, SAIC may perform the Services in whole or in part at SAIC's place of business, Customer’s place of business, and/or such other locations as SAIC may select.

3. Effective Date; Term
   This Agreement shall be effective as of the date first above written (the "Effective Date"), and shall continue in full force and effect until the Services have been completed or the Agreement has been terminated in accordance with Section 9 hereof.

4. Payment Terms
   (a) Customer will pay SAIC on a “time and materials” basis for labor expended and costs and expenses incurred, as hereinafter described. SAIC will use good faith efforts to complete the Services and deliver the Deliverables within the estimated price (“Estimated Price”) set forth in Exhibit B, but does not guarantee that the Services can be completed or the Deliverables can be delivered within the Estimated Price.

   (b) Customer shall pay to SAIC for labor expended in performing the Services an amount computed by multiplying the applicable hourly billing rate set forth in Exhibit B by the number of hours worked.

   (c) Customer shall have no obligation to pay SAIC more than the Estimated Price. SAIC shall have no obligation to provide labor or incur costs or expenses having a combined value more than the Estimated Price, even if the Services have not been completed or the Deliverables delivered, or the results desired by Customer have not been achieved. The parties may, by mutual written agreement, increase the Estimated Price.

   (d) Customer shall make payment to SAIC according to the schedule and provisions of Exhibit B. SAIC shall have a lien upon and may retain or repossess any and all Deliverables if Customer does not make payment in full to SAIC.

   (e) SAIC shall provide an invoice to Client monthly for Services performed by SAIC on behalf of Client pursuant to this Agreement. Invoiced amounts are immediately due.

   (f) If Customer’s action or inaction results in non-receipt of payment by SAIC for the total amount of an invoice within thirty (30) days of such invoice, interest compounded at the rate of one percent (1%) per month shall be charged on all amounts unpaid and outstanding. If Customer’s action or inaction results in non-receipt of payment by SAIC, SAIC shall have the right, exercisable in SAIC’s sole discretion, in addition to its other rights and remedies, to cease further performance of the Services hereunder.

   (g) Bill To Address. The invoice will be mailed to:

   ____
   ____
   ____
   ____
   ____

5. Resources to be Provided by Customer
   (a) Customer shall provide, maintain and make available to SAIC, at Customer’s expense and

in a timely manner, the resources described in this Section 5 and such other additional resources, as SAIC may from time to time reasonably request in connection with SAIC's performance of the Services. Delays in the provision of these resources may result in delays and/or additional cost in performing the Services or Delivering the Deliverables.

(b) Customer will designate and make available to SAIC qualified Customer personnel or representatives who will consult with SAIC on a regular basis in connection with the Services. Customer will furnish such documentation or other information as is reasonably necessary to perform the Services.

(c) Customer shall furnish access to Customer's premises, and appropriate workspace for SAIC personnel working at Customer's premises, as necessary for performance of those portions of the Services to be performed at Customer's premises.

6. Confidentiality

In the event either party determines that it is necessary to provide confidential, proprietary, or trade secret information to the other party in connection with this Agreement, such disclosure will be made only after advance written notice to the other party, and the parties have executed a mutually satisfactory Non-Disclosure Agreement. Nothing in this Agreement or in the Non-Disclosure Agreement referred to in this section shall be deemed to restrict or prohibit SAIC from providing to others services and deliverables the same as or similar to the Services and Deliverables. In providing any such similar services or deliverables to any third party, SAIC shall keep confidential any Customer confidential, proprietary or trade secret information which is subject to the Non-Disclosure Agreement executed pursuant to this section, in accordance with the requirements of such agreement.

7. Intellectual Property

(a) Customer and SAIC shall each retain ownership of, and all right, title and interest in and to, their respective, pre-existing Intellectual Property (as hereinafter defined), and no license therein, whether express or implied, is granted by this Agreement or as a result of the Services performed hereunder. To the extent the parties wish to grant to the other rights or interests in pre-existing Intellectual Property, separate license agreements on mutually acceptable terms will be executed.

(b) SAIC grants to Customer a royalty-free, paid up, worldwide, perpetual, non-exclusive, non-transferable license to use any SAIC Intellectual Property incorporated in any Deliverable, solely for Customer's use of that Deliverable for its internal business purposes. SAIC shall retain ownership of and unrestricted right to use any Intellectual Property. The Services performed and any deliverable items produced pursuant to this Agreement are not "works for hire."

(c) As used herein, "Intellectual Property" shall mean inventions (whether or not patentable), works of authorship, trade secrets, techniques, know-how, ideas, concepts, algorithms, and other intellectual property incorporated in any Deliverable and first created or developed by SAIC in providing the Services.

8. Taxes

(a) Customer shall pay any and all sales, use, value added, excise, import, privilege, or similar taxes, levies or payments in lieu thereof, including interest and penalties thereon, arising out of or in connection with the performance of this Agreement (other than those levied on SAIC's income), imposed by any authority, government or governmental agency, and shall comply with all applicable treaties, laws, rules or regulations relating thereto.

(b) In the event a taxing authority conducts an audit of this Agreement and determines that an additional tax should have been imposed on the Services or Deliverables provided by SAIC to Customer (other than those taxes levied on SAIC's income), Customer shall reimburse SAIC for any such additional tax, including interest and penalties thereon. Similarly, if a taxing authority determines that a refund of tax is due as it relates to the Services or Deliverables provided by SAIC to Customer (except those taxes relating to SAIC's income), SAIC shall reimburse Customer such refund, including any interest paid thereon by the taxing authority.

9. Termination

Either party may terminate this Agreement for any reason upon 30 days written notice to the other party. Termination will not affect payment obligations incurred under this Agreement for Services performed and reimbursable costs and expenses incurred prior to the effective date of termination, including without limitation commitments to purchase products or services from third parties, which were entered into by SAIC in the course of performance hereunder prior to the effective date of termination. Such reimbursable costs may include, but are not limited to, cancellation fees, minimum consulting or material fees, and non-refundable charges or fees for third party products or services.

10. Limited Warranty

(a) SAIC warrants that the Services provided under this Agreement shall be performed with that degree of skill and judgment normally exercised by recognized professional firms performing services of the same or substantially similar nature. In the event of any breach of the foregoing warranty, provided Customer has delivered to SAIC timely notice of such breach as hereinafter required, SAIC shall, at its own expense, in its discretion either: (1) re-perform the non-conforming Services and correct the non-conforming Deliverables to conform to this standard; or (2) refund to Customer that portion of the amounts received by SAIC attributable to the non-conforming Services and/or Deliverables. No warranty claim shall be effective unless Customer has delivered to SAIC written notice specifying in detail the non-conformities within 90 days after performance of the non-conforming Services or tender of the non-conforming Deliverables. The remedy set forth in this Section 10(a) is the sole and exclusive remedy for breach of the foregoing warranty.

(b) SAIC SPECIFICALLY DISCLAIMS ANY OTHER EXPRESS OR IMPLIED STANDARDS, GUARANTEES, OR WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND ANY WARRANTIES THAT MAY BE ALLEGED TO ARISE AS A RESULT OF CUSTOM OR USAGE, ANY WARRANTY OF ERROR-FREE PERFORMANCE, OR ANY WARRANTY OF THIRD PARTY PRODUCTS, OR FUNCTIONALITY OF THE CLIENT'S HARDWARE, SOFTWARE, FIRMWARE, OR COMPUTER SYSTEMS.

(c) Customer represents and warrants to SAIC that Customer has the right to use and furnish to SAIC for SAIC's use in connection with this Agreement, any information, specifications, data or Intellectual Property that Customer has provided or will provide to SAIC in order for SAIC to perform the Services and to create the Deliverables identified in Exhibit A.

11. Indemnification

Each party shall indemnify, defend and save the other harmless from and against any liability, loss, costs, expenses or damages caused by reason of its negligent acts or omissions. In no event shall either party be liable to the other for any special, indirect, incidental, economic, or consequential damages whatsoever, regardless of the legal theory under which such damages are incurred.

12. Limitation of Liability

(a) SAIC's total liability to Customer for any and all liabilities, claims or damages arising out of or relating to this Agreement, howsoever caused and regardless of the legal theory asserted, including breach of contract or warranty, tort, strict liability, statutory liability or otherwise, shall not, in the aggregate, exceed the amount actually paid to SAIC under this Agreement, or under the specific task order at issue, whichever is less.

(b) In no event shall either SAIC or Customer be liable to the other for any punitive, exemplary, special, indirect, incidental or consequential damages (including, but not limited to, lost profits, lost business opportunities, loss of use or equipment down time, and loss of or corruption to data) arising out of or relating to this Agreement, regardless of the legal theory under which such damages are sought, and even if the parties have been advised of the possibility of such damages or loss.

13. Non-Waiver of Rights
The failure of either party to insist upon performance of any provision of this Agreement, or to exercise any right, remedy or option provided herein, shall not be construed as a waiver of the right to assert any of the same at any time thereafter.

14. Rights and Remedies Not Exclusive
Unless otherwise expressly provided herein, no right or remedy of a party expressed herein shall be deemed exclusive, but shall be cumulative with, and not in substitution for, any other right or remedy of that party.

15. Severability
If any covenant, condition, term, or provision contained in this Agreement is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such covenant, condition, term, or provision shall be severed from this Agreement, and the remaining covenants, conditions, terms and provisions contained herein shall continue in force and effect, and shall in no way be affected, prejudiced or disturbed thereby.

16. Conflicting Provisions
This Agreement and all of the exhibits, schedules, and documents attached hereto are intended to be read and construed in harmony with each other, but in the event any provision in any attachment conflicts with any provision of this Agreement, then this Agreement shall be deemed to control, and such conflicting provision to the extent it conflicts shall be deemed removed and replaced with the governing provision herein.

17. Assignment
Neither party may sell, assign, transfer, or otherwise convey any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, SAIC may without violation of this paragraph engage the services of independent contractors to assist in the performance of its duties hereunder.

18. Applicable Law
This Agreement shall be governed by and construed under the laws of the State of Texas, without regard to its laws relating to conflict or choice of laws.

19. Interpretation
The captions and headings used in this Agreement are solely for the convenience of the parties, and shall not be used in the interpretation of the text of this Agreement. Each party has read and agreed to the specific language of this Agreement; therefore no conflict, ambiguity, or doubtful interpretation shall be construed against the drafter.

20. Disputes
Any controversy, claim or dispute ("Dispute") arising out of or relating to this Agreement shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the

American Arbitration Association then in effect. Before commencing any such arbitration, the parties agree to enter into negotiations to resolve the Dispute. If the parties are unable to resolve the Dispute by good faith negotiation, either party may refer the matter to arbitration. The arbitration shall take place in the County of Brazoria, State of Texas. The arbitrator(s) shall be bound to follow the provisions of this Agreement in resolving the dispute, and may not award any damages, which are excluded by this Agreement. The decision of the arbitrator(s) shall be final and binding on the parties, and any award of the arbitrator(s) may be entered or enforced in any court of competent jurisdiction. Any request for arbitration of a claim by either party against the other relating to this Agreement must be filed no later than one year after the date on which SAIC concludes performance under this Agreement.

21. Force Majeure

Neither party shall be liable for any failure of or delay in performance of its obligations (except for payment obligations) under this Agreement to the extent such failure or delay is due to acts of God, acts of a public enemy, fires, floods, power outages, wars, civil disturbances, epidemics, pandemics, sabotage, terrorism, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes (whether or not the employees' demands are reasonable and/or within the party's power to satisfy), failure of common carriers, Internet Service Provides, or other communication devices, acts of cyber criminals, terrorists or other criminals, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, authorizations, licenses, franchises or permits, inability to obtain labor, materials, power, equipment, or transportation, or other circumstances beyond its reasonable control (collectively referred to herein as "Force Majeure Occurrences"). Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays. Neither party shall be liable to the other for any liability claims, damages or other loss caused by or resulting from a Force Majeure Occurrence.

22. Multiple Copies or Counterparts of Agreement

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between each of the parties of at least one set of the counterparts.

23. Notices

All notices or other written communication required or permitted to be given under any provision of this Agreement shall be deemed to have been given by the notifying party if mailed by certified mail, return receipt requested, to the receiving party addressed to the mailing address set forth in the first paragraph of this Agreement, or such other address as the parties may designate in writing to the other parties. Additionally, notices sent by any other means (i.e., facsimile, overnight delivery, courier, etc.) may be acceptable subject to written confirmation of both the transmission and receipt of the notice.

24. Relationship of Parties

SAIC is an independent contractor in all respects with regard to this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, agency, or other relationship other than that of contractor and customer.

25. Third Party Beneficiaries

This Agreement does not create, and shall not be construed as creating, any rights or interests enforceable by any person not a party to this Agreement.

26. Waiver or Modification

This Agreement may be modified, or part or parts hereof waived, only by an instrument in writing specifically referencing this Agreement and signed by an authorized representative of the party against whom enforcement of the purported modification or waiver is sought.

27. Entire Agreement

This Agreement, including any and all Exhibits attached hereto, which are hereby incorporated by reference, constitutes the entire agreement and understanding between the parties and supersedes and replaces any and all prior or contemporaneous proposals, agreements, understandings, commitments or representations of any kind, whether written or oral, relating to the subject matter hereof or the Services or Deliverables to be provided hereunder.

28. Survival

The provisions of sections 4, 6, 7, 9, 10, 11, 12, and 20 shall survive the termination or expiration of this Agreement.

Exhibit A

Statement of Work

<u>Exhibit B</u>

<u>Fee For Services</u>

ATTACHMENT P

COPY OFTHE REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING DEBRIS REMOVAL AND RELATED SERVICES PROVIDER

A copy of SAIC's solicitation document is provided on the subsequent pages.

CITY OF KEY WEST

REQUEST FOR PROPOSALS

FOR PROFESSIONAL SERVICES FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES

RFP # - 008 - 11

DUE DATE: May 4, 2011

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES

TABLE OF CONTENTS

CITY OF KEY WEST
ANNOUNCEMENT: REQUEST FOR PROPOSALS

Sealed Proposals for **REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES PER PROPOSAL SPECIFICATIONS** addressed to the City of Key West, will be received at the office of the City Clerk, City of Key West, Florida, until 3:00 p.m., local time, on Wednesday, the 4th day of May, 2011, at which time Proposals will be publicly opened and read in the City Clerk's office, 525 Angela St. Any proposals received after the time specified will not be considered.

Via this Request for Proposals, it's the City is seeking competitive proposals for debris removal monitoring. Price, qualifications, experience, and capacity will be considered. Should any unforeseen emergencies evolve which necessitates monitoring services, before the normal evolution of the competitive bidding process, then the City may call upon these Responders - and others - for emergency quotes for use under the City's emergency purchasing guidelines. Responders are urged to have an emergency quote packet – similar if not exact to this RFP – at-the-ready should such an emergency so arise.

The City of Key West solicits Proposals for Professional Services for Monitoring of Debris Removal and Related Services. Services would include; monitoring debris removal and related services for the City in the event of a natural or man-made disaster, the City will execute a term contract. The contract will be for a three-year term and may extend for a two-year term if agreed to by both parties. No minimum amount of services or compensation will be guaranteed to any firm retained by the City. In addition, the City may make multiple awards for similar services at its sole discretion.

The contracted services sought include providing all expertise, personnel, tools, materials, supplies, equipment, transportation, supervision and all other services and facilities of any nature necessary for monitoring debris removal and relate services to include but not be limited to the monitoring of disaster generated debris from public lands, easements, and rights-of-way. Removal of debris from private property may also be included. Removal and lawful disposal of all eligible event-generated debris within the legal boundaries of the City's jurisdiction, in accordance with the standards of the Federal Emergency Management Agency, Federal Highway Administration, Federal and State departments of environmental protection and the request for proposal package and other Responsible Parties.

From the bid submissions, the City intends to rank the submissions, to obtain a prioritized list of vendors, from which the City may contract with for monitoring services, as available, in the order of the final ranking.

Drawings and Specifications may be obtained by contacting Demand Star by Onvia. Please contact Demand Star at 1-800-711-1712 or at http://www.demandstar.com/.

One (1) "hard copy" original and ten (10) copies on "flash drive" or CD of the proposal are to be enclosed in a sealed envelope clearly marked on the outside "Professional Services for Monitoring of Debris Removal and Related Services" and addressed to:

CITY CLERK
CITY OF KEY WEST, FLORIDA
CITY HALL
P.O. Box 1409
KEY WEST, FLORIDA 33040

The successful Bidder will be required to furnish the necessary additional bond(s) for the faithful performance of the Contract, as prescribed in the Solicitation Documents. The Proposer will also be required to furnish documentation showing that he is in compliance with the licensing requirements of the State of Florida, Florida License to Bid, and that the provisions of Chapter 66 Section 87 of the Code of Ordinances of the CITY of Key West. Compliance with these provisions is required before he can enter into the agreement contained in the Contract Documents. At the time of bid the successful Proposer must demonstrate that he holds, as a minimum, the following licenses and certificates:

- A valid Occupational License issued by the City of Key West in accordance with Chapter 18 Section 116.
- License(s) required by State of Florida

All Proposal bonds, insurance contracts, and certificates of insurance shall be either executed by or countersigned by a licensed resident agent of the Surety or insurance company having his place of business in the State of Florida, and in all ways complying with the insurance laws of the State of Florida. Further, the said Surety or insurance company shall be duly licensed and qualified to do business in the State of Florida.

In order to perform public work, the successful Proposer shall hold such Contractors' and Business Licenses as required by State, County and City Statutes.

Before a Contract will be awarded for the work contemplated herein, the City will conduct such investigation as is necessary to determine the performance record and ability of the apparent low Proposer to perform the size and type of work specified under this Contract. Upon request, the Proposer shall submit such information as deemed necessary by the City to evaluate the Proposer's qualifications.

For information concerning the proposed work, or for an appointment to visit the site of the proposed work, contact:

General Services
P.O. Box 1409
Key West, Florida 33041
Telephone: (305) 809-3902

At the time of the award, the successful Proposer must show satisfactory documentation of such State, County, and City licenses as would be required. Any permit and/or license requirement and subsequent costs are located within the documents. The successful Proposer must also be able to satisfy the City Attorney as to such insurance coverage, and legal requirements as may be demanded by the proposal in question. The City may reject proposals (1) for budgetary reasons, (2) if the Proposer misstates or conceals a material fact in its proposal, (3) if the Proposal does not strictly conform to the law or is non-responsive to the Proposal requirements, (4) if the Proposal is conditional, or (5) if a change of circumstances occurs making the purpose of Proposal unnecessary to the City. The City may also waive any minor informalities or irregularities in any Proposal.

Dated this 31st day of March, 2011.

CITY OF KEY WEST

By: ______________________________
Sue Snider, Purchasing Agent

REQUIREMENTS: REQUEST FOR PROPOSALS

The City of Key West (CITY) requires the services of a qualified company to provide Sealed Proposals for **REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES**. The CITY, Requests Proposals for Professional Services for Monitoring of Debris Removal and Related Services. Services would include; monitoring debris removal and related services for the CITY in the event of a natural or man-made disaster, the CITY will execute a term contract. The contract will be for a three-year term and may extend for a two-year term if agreed to by both parties. No minimum amount of services or compensation will be assured to any firm retained by the CITY. In addition, the CITY may retain other firms for similar services at its sole discretion.

The contracted services sought include providing all expertise, personnel, tools, materials, supplies, equipment, transportation, supervision and all other services and facilities of any nature necessary for monitoring debris removal and relate services to include but not be limited to the monitoring of disaster generated debris from public lands, easements, and rights-of-way. Removal of debris from private property may also be included. removal and lawful disposal of all eligible event-generated debris within the legal boundaries of the CITY's jurisdiction, in accordance with the standards of the Federal Emergency Management Agency, Federal Highway Administration, Federal and State departments of environmental protection and the request for proposal package.

The Proposer shall prepare submitted Proposals on the forms provided by the CITY with all blanks on the Proposal Form filled in by typewriter or written in ink.

Any proposal received after the response deadline will not be considered. Upon selection of the most qualified company and approval by the CITY commission, the CITY will negotiate a contract with the selected company. If the selected company does not execute the contract with the CITY within 30 days after award, the CITY reserves the right to award the contract to the next most qualified company. A Proposer may not withdraw their proposal before the expiration of 60 days from the date of proposal opening. A Proposer may withdraw their proposal after that date only if they provide written notification prior to the approval of selection by the CITY Commission. The CITY of Key West reserves the right to reject any or all of the proposals submitted.

The CITY reserves the right to reject any Proposal for the following reasons:

- For budgetary reasons;
- If the Proposer misstates or conceals a material fact in its proposal;
- If the Proposal does not strictly conform to the law or is non-responsive to the Proposal requirements;
- If the Proposal is conditional;
- If a change of circumstances occurs making the purpose of Proposal unnecessary to the CITY;
- The Proposer is or has been involved in any litigation against the CITY;

- The Proposer has defaulted on any previous contract, or is in arrears on any existing contract on any public or private matters;

- The submittal of more than one proposal from an individual, firm, partnership, corporation or association under the same or different names;

- The Proposer's previous work with the CITY has resulted in claims from third parties and or subcontractors;

- The Proposer has been debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.

- To be eligible for award, the Proposer must submit a completed proposal package and be able to document that it has:

1) A minimum five (5) years of experience in conducting disaster recovery logistical support and debris removal operations for County, CITY and or State Governments;

2) Knowledge and experience in FEMA and State public assistance reimbursement procedures; and

3) Has provided services similar to those required to a minimum of five (5) jurisdictions with a population of not less 30,000 persons.

4) Has capacity to provide requested services considering pre-event commitments within 150 miles of Key West.

The CITY may also waive any minor informalities or irregularities in any Proposal.

For questions concerning any aspect of this RFP please contact:

Sue Snider
City of Key West
P.O. Box 1409
Key West, FL 33040
(305) 809-3902
ssnider@keywestCITY.com

PROPOSER INSTRUCTIONS AND FORMAT: DEBRIS REMOVAL MONITORING

The City of Key West, Florida (CITY) is located on a remote island, with an international border and is vulnerable to natural and manmade disasters including hurricanes, tornadoes, floods, oil spills, hazardous material releases.

Disasters such as hurricanes often produce large volumes of debris. Debris and damaged trees create hazardous conditions including blocked roadways/drives and obstacles to emergency vehicles. These hazards and obstacles often block routine, essential, and emergency traffic, both vehicular and pedestrian. One of the first essential steps in securing the community is the removal of hazardous debris to allow for security, emergency, and other service traffic. It is in the best interest of the CITY to enter into a pre-event agreement for a term of 3 years with a firm to provide debris management and monitoring services in the event of a disaster.

REQUIREMENTS

The CITY is seeking qualifications and proposals for monitoring and managing the removal of disaster generated debris from public lands, easements, and rights-of-way. Removal of debris from private property may also be included. The primary purpose of these services is to insure that the entire debris removal, hauling, recycling and/or disposal process is done properly and expeditiously and is eligible for reimbursement under Federal Emergency Management Agency (FEMA) Public Assistance Program, Federal Highway Administration (FHWA) and state emergency management agency guidelines and other Responsible Parties. Additionally, the City seeks to utilize the results of this proposal process for the monitoring of other types of emergency services that may evolve from man-made disasters (e.g. oil spills, mass migrations etc.).

Respondent must meet the following general conditions:

1) Be able to provide monitoring of the clean up, removal, separation, reduction and disposal of Debris as defined in the Scope of Services set forth on Attachment "A" attached hereto and incorporated herein by reference (the "Services");

2) Be willing and capable of performing the Services, including, but not limited to, proper documentation preparation, management, and event closure services;

3) Be knowledgeable and have experience in the provision of the Services for reimbursement through the FEMA Public Assistance and FHWA ER program; and

4) Be able to perform the Services and any other agreed to services in a timely manner, recognizing that the CITY desires to have this project completed within 30 days following completion of debris hauling and removal.

RESPONSE FORMAT: DEBRIS REMOVAL MONITORING

The Proposer shall prepare submitted Proposals on the forms provided by the CITY with the following information.

Company Profile:

A company profile including the firm name, business address, telephone number, year established (include former firm names and year established, if applicable), type of ownership, and parent company, if any. Provide the name of the person who shall serve as authorized negotiator for Respondent, should Respondent be selected to negotiate with CITY.

Experience:

Provide information indicative of experience on other projects of similar complexity that documents successful and reliable experience in past performance within the last seven (7) years, as it related to this proposal. The proposing firm must demonstrate that they have successfully performed services on at least 10 FEMA reimbursable disaster debris removal projects related to at least 3 different declared disasters, over the past seven (7) years, including at least two projects involving removal of at least 1,000,000 cubic yards of debris. Identify local governmental clients for whom similar services have been provided including name of client, client contact person, description of services performed and quantity of debris monitored. Provide resumes of key staff. Respondent must demonstrate special disaster recovery program management services including monitoring of private property/right-of-entry (ROE) work, waterway/marine debris clean-up, sand recovery/beach remediation, hazardous tree/limb removal, hazardous material removal, vessel and vehicle recovery, asbestos removal, data management, contracting/invoice reconciliation, and FEMA appeals assistance.

Personnel:

Provide an organizational chart, resumes, and summary of staff qualifications. Demonstrate current capacity and current expertise in debris removal, solid waste and hazardous waste management and disposal. Respondent shall document knowledge and experience of personnel with Federal, State and local emergency management agencies, programs, funding sources and reimbursement processes.

Public Records:

Any material submitted in response to this Request for Proposals will become a "public record" and shall be subject to public disclosure consistent with Chapter 119, Florida Statutes. Proposers must claim any applicable exemptions to disclosure provided by law in their response to the Request for Proposals. Proposers must identify materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary and legal. The City reserves the right to make all final determination(s) of the applicability of the Florida Public Records Law.

Cost of Proposal Preparation:

The Proposer assumes all risks and expenses associated with the preparation and submittal of a proposal in response to this Request for Proposals. The City shall not be liable for any expenses incurred by the Proposer when responding to this Request for Proposals.

Bidder is advised that delivery services may not be timely. It shall be the Proposals sole responsibility to ensure delivery prior to the required date and time.

Conflicts:

All Respondents must certify that Respondent, nor any employee thereof, has any conflict of interest, either direct or indirect, in connection with the services sought herein pursuant to Federal or state law. Has Respondent has had a contract related to debris removal cancelled within the past seven years. If so, state the name and address of the other contracting party and reason.

Technical Approach / General Operations Plan:

Provide a description of the Proposer's approach to the project including implementation of the RFP Scope of Services, startup procedures, debris estimating methodology, and management of debris recovery contractors. Especially, as it relates to:

- Pre-impact mobilization of resources
- NIMS Compliant Span-of-Control
  - Number of Project Managers to number of Field Supervisors
  - Number of Field Supervisors to number of Monitors
- Preventing fraudulent activity occurring between the pick-up and disposal sites
- Ensuring debris removal equipment isn't sidelined due to a lack of monitors
- Monitoring of seaweed removal, where a one-to-one ratio of monitor to equipment isn't practical nor necessary.
- Identifying debris loads originating from declared First Pass roadways, separate from debris collected from other locations.

References:

The respondent shall provide references for five debris projects of similar size performed over the past seven years. Include the client name, debris quantity, brief summary of work, along with name, address, and phone number of a responsible contact person.

Capacity:

Capacity to perform services timely for the CITY is critical and could be impacted by other obligations firms may have in the general area. Provide a listing of all active or pre-event debris contracts with cities, counties, or other entities within 200 miles of the CITY of Key West. Provide current obligations of Respondent, including time schedules and staff committed.

Fee Schedule:

Each Proposer must complete and submit the Cost Proposal Form / Unit Price (Table A). Cost will be evaluated using the hourly rates submitted below for the labor positions listed. The hourly labor rates shall include all applicable overhead and profit. Overtime hours will be paid at the same rate as regular time hours. All normal expenses shall be absorbed in hourly rates, including lodging, meals, transportation, and per Diem. Special costs such as boat rental and marine expenses may be billed to the CITY at cost without mark-up. Proposer may also include additional, optional positions and services for:

POSITIONS	Required	
Principal in Charge	(Y)	(N)
Project Manager	(Y)	(N)
Deputy Project Manager / Operations Manager	(Y)	(N)
Project Coordinator	(Y)	(N)
QC / QA Safety Manager	(Y)	(N)
Data Manager	(Y)	(N)
GIS Analyst	(Y)	(N)
Field Supervisor	(Y)	(N)
Debris Site/Tower Monitors	(Y)	(N)
Collection Monitor	(Y)	(N)
Citizen Drop-Off Site Manager	(Y)	(N)
Data Entry Clerk / Clerical	(Y)	(N)
Billing/Invoice Analysts	(Y)	(N)
Billing Invoice Manager	(Y)	(N)
FEMA Coordinator / Specialist	(Y)	(N)
Public Information Support Manager	(Y)	(N)
Call Center Staff	(Y)	(N)

Submittal:

Please submit one (1) "hard copy" original and ten (10) copies on "flash drive" or CD of the proposal, for a total of ten (11) copies. Proposals and copies shall be submitted in a sealed envelope, clearly labeled with RFP Title, date, and company name.

EVALUATION OF PROPOSALS: DEBRIS REMOVAL MONITORING

Evaluation of proposals and selection of a monitoring and management firm shall be at the sole discretion of CITY. This will be a qualifications based selection. Professional firms will be evaluated using the following criteria and respective weights. Firms submitting a proposal in response to the RFP may be required to give an oral presentation to CITY representatives. The CITY's request for an oral presentation shall in no way constitute acceptance of a proposal or imply that an agreement is pending. The CITY reserves the right to award the opportunity to provide the services specified herein based on initial proposal submissions without oral presentations.

Proposals submitted will be opened publicly and read aloud at the time and place stated in the RFP.

The City will rank Proposals on the basis of a point system in which evaluation criteria will be applied. An Evaluation Panel will be appointed to review all Proposals for responsiveness and that all required submittals have been included. Any non-responsive Proposals will be rejected.

The Evaluation Panel is subject to the State Law and CITY Rules and Regulations. Florida Statute section 286.011 ("Government in Sunshine Law") requires that any meeting (including telephone conversations) between two or more members of a public board or commission, for the purpose of discussing any matter on which foreseeable action may be taken by the board or commission, must be publicly noticed and open to attendance by the general public.

The Evaluation Panel shall be established as follows:

Chairman:

Reference Verifier:

Contact Person:

Financial/Security Adviser:

Initial Orientation Meeting:

Panel members will receive a copy of each Proposal. The panel will select a Chairman. The Reference Verifier, Contact Person and Financial/Security Adviser will be introduced and their individual responsibilities reviewed with the Panel.

After the initial meeting, each Panel member will independently review the Proposals for scoring in accordance with the established evaluation criteria. Questions or comments a Panel member has relative to any Proposal shall be directed to the Contact Person. Additional meetings of the Panel may be convened to initiate discussions or to develop and direct requests for information to one or more of the Proposers, the Legal Consultant, the Reference Verifier, the Financial and Security Advisor(s), or City staff.

Ranking Meetings:

After the Panel members have completed their individual evaluations, the Panel will reconvene to score and conduct a ranking of the Proposals. The Chairman will total and average the scores of each Panel member and calculate the score for each Proposer. This will establish a numeric ranking for each Proposer based on the Proposal and attachments. Additional meetings of the Panel may be convened if deemed necessary.

Final Ranking:

The Cost Proposal point awards will then be added into the point count assigned at the end of Proposal Evaluation. The Evaluation Panel shall recommend the contract award to the Proposer with the most Cost Proposal points first, and the most Proposal points second. This action will end the duties of the Evaluation Panel.

Basis of Scoring:
A ranking of Proposers submitting shall be based on weighted scoring criteria for the Proposals as follows:

GRADING CRITERIA	Max. POINTS
Costs	
1. Staffing Ratio	15
2. Hourly Rates	35
	50
Qualifications and Experience	
3. References on recent projects of a minimum 200,000 C.Y. and scope, including two projects over 1,000,000 CY	2
4. Qualifications of firm and key staff	2
5. Diverse project experience including, ROW, C&D debris, marine debris, private property, structure demolition and vessel removal	6
6. Capacity to respond to major and catastrophic disasters, with few existing pre-event contracts within 200 miles of the City of Key West	6
7. Familiarity of local conditions	2
8. Description of past (within 5 years) and on-going litigation involving proposer and: municipality, subcontractor, etc.	5
	23
Technical Approach / Operations Plan	
9. Documentation of understanding Scope of Work	2
10. Technical Approach / General Operations Plan	2
11. Resources, capacity to perform, and Mobilization Plan	5
12. Ticket quality assurance / quality control program	8
	17
Financial Stability	
13. Years Proposer company has been in business	2
14. Proposer's net worth and working capital	3
15. Size of projects successfully completed in the past 5 years	2
16. Strength of latest financial statement	3
	10

Total Score
100

SCOPE of SERVICES: DEBRIS REMOVAL MONITORING

Staff Mobilization:
When a potential disaster threatens the CITY, the debris monitoring firm will mobilize 24 to 72 hours in advance with key staff experienced in various aspects of debris operations (including truck certification, mapping/zone development, etc.) in order to participate in the "response" phase of the disaster event. Additional Monitor staff shall be contacted and put on standby for potential mobilization. Logistical arrangements for out of town staff such as lodging arrangements for key staff, is considered to be the responsibility of the Monitor.

A sample of the mobilization task order is attached as Figure 1.

SAMPLE *SAMPLE*

City of Key West Debris Removal
Mobilization Task Order

Date: ____________ **Time:** _____________ **Incident / Event:**________________

City Declaration Order:________________ **Florida Declaration Order No.:** _________

Presidential Declaration Order No.: ____________ **FEMA Incident / Event No.:** _____________

Contractor: ______________________ **Project Manager:** _________________________
Name of Contractor Name of Approved PM

Contractor's Estimated Time of Arrival: ____________. **Number of Crews:** _______.

1st Push Priority Locations:

Roads: ____
Attach: Map / GPS / GIS

Forecast Amount of Debris: Use Appropriate USACE Model

- ☐ Tornado / Hurricane:
- ☐ Flood Debris:
- ☐ C & D:
- ☐ Vegetative:
- ☐ HHW:

Figure 1

Field Documentation of Work:
Monitor shall carefully document debris removal activities as well as hazardous trees and trees that contain hazardous hanging limbs that need to be removed. Monitor will work closely with the CITY and with FEMA/FHWA to determine the most effective methods of documentation to ensure that debris removal is eligible for federal funding. Monitor shall communicate with FEMA to ensure documentation supports project reimbursement. Monitor will work with FEMA in an effort to pre-validate as much eligible debris, tree and limb removal as practical.

Collection Monitoring of Rights-of-Way and Public Property Debris:
Monitor will provide collection monitors with each of the Contractor's loading crews to ensure each load is related to the disaster and is eligible for federal reimbursement. The street address and/or GPS coordinates will be recorded on each load ticket. The Monitor will initiate a multi-part ticket in the field for each load, containing information related to the location of the debris, time, date, truck identification, truck driver, etc. The ticket will then be delivered to the temporary debris storage and reduction site (TDSRS) or disposal site with the truck driver for load rating. Load ticketing and documentation will also be performed for hazardous tree and limb removal. This project may include monitoring the removal of abandoned cars, boats, marine debris, white goods, beach cleaning, and structure demolition. Monitor will provide similar services if debris removal from private property/right-of-entry (ROE) is approved for this project. Field monitoring of debris haulers shall be performed in accordance with current FEMA, FHWA and state requirements and in coordination with the CITY.

Monitor Training:
Monitor will provide training to all employees concerning safety, eligibility for reimbursement, and disaster specific information. The Monitor will be required to perform adequate training for locally hired staff at no expense to the CITY. All Monitor employees must be able to effectively communicate to a level appropriate to their responsibilities.

Spot Checks and Auditing of Monitors:
Monitor will provide roving monitors, field coordinators, and supervisory personnel to ensure that field monitors are making accurate eligibility calls, keeping good documentation, and are working effectively with the debris removal contractor.

Project Mapping:
Maps will be used to document the debris removal progress. The final pass along each roadway will be mapped for the CITY's information, and FEMA documentation. Monitor will assist the CITY in public communication and will document and relay any citizen complaints for action by the contractor or the CITY.

Truck Certification:
Monitor will establish a team of individuals who will inspect and certify vehicles for hauling storm related debris in accordance with FEMA guidelines. A certification sheet with measurement, photos, and calculations documenting the capacity of the truck is kept for load rating and ticket auditing. Summary books will be kept at each TDSRS/disposal site for quality control. Certifications should also include a methodology to discourage collection contractors from modifying their vehicle after certification, such as identifying unique attributes to the vehicle like sideboards. Photographs of the vehicle and its driver shall be documented. Periodic spot checks and recertification of trucks that were potentially altered after initial certification shall be performed.

Quality Control / Quality Assurance, Safety Manager:
A QA/ QC program should be implemented by the Monitor to minimize errors in debris monitor tickets and all documentation functions. Eligibility of work, reliability of

documentation and data accuracy are critical in achieving full reimbursement for eligible project expenses.

TDSR / Disposal Sites:
Monitor will provide trained monitors at TDSR and disposal sites to call loads based on the amount of debris in each truck. It is imperative that these monitors make accurate calls to safeguard public funds. Monitors will also make sure that the trucks are empty as they leave the site. Furthermore, monitors will review the truck certification worksheets to make sure the trucks have not been modified to affect their capacity (shortened or removed sideboards, for example). Similar systems will be used to verify, track, and document hauling of reduced debris from TDSR sites through final disposal, if applicable.

Data Management;
Monitor will establish an advanced project data management system and enter load ticket information on a daily basis. This information can be provided to the CITY, FEMA, and the Contractor GPS coordinates or addresses for tree and stump removal, and debris removal progress, as applicable. Additionally, the staff will work with the Contractor to reconcile invoices, and review debris removal invoices for recommendation of payment by the CITY. Furthermore, Monitor will organize field information for FEMA documentation including photographs and/or GPS coordinates. Monitor will help track invoices for FEMA reimbursement and provide additional supporting information as requested.

Public Information Support:
Monitor may be asked to assist the CITY in public outreach following a disaster event as it relates to debris recovery efforts. This may include establishing and staffing (including supplying equipment, phone lines, etc.) a "debris hotline" to respond to public complaints and concerns, or establishing a website. This also may include assistance with press releases, public notices, and other public information functions. All functions will performed in a manner to maximize federal and state reimbursement.

Funding Support:
The Monitor shall assist the CITY in securing maximum reimbursement for eligible work from state and federal agencies. Specific funding support services may include working with the CITY to develop a cash flow strategy that focuses on early reimbursement. This includes assistance in preparing a debris quantity estimate that is supported by FEMA staff, early preparation of a project worksheet to cover the estimated cost of the entire debris removal effort at the outset of the project, and assisting the CITY and FEMA personnel with Project Worksheets, Versions, etc. Monitor shall be prepared to assist CITY with appeals based on their in-depth knowledge of FEMA and FHWA reimbursement policies. Monitor shall be prepared to assist the CITY, if requested, in tracking progress of Project Worksheets and providing quick response to any problem issue that may arise that could slow funding. Monitor shall be prepared to assist CITY in finding additional funding reimbursement sources related to disaster mitigation.

Recovery Services:
The CITY is interested in selecting a monitoring firm with field implementation and FEMA reimbursement experience in community recovery including, but not limited to:

- Right-of-Entry (ROE) administration and data base management
- ROW and private property vegetative / C & D hazard removal monitoring
- ROW and private property demolition coordination and monitoring
- Monitoring of marine debris removal
- Beach sand sifting / cleaning

Other Related Services:

Services not specifically identified in this request, but are needed to provide a complete debris removal and documentation project.

Pre-Storm Coordination:
Monitor will be prepared to meet with the CITY once prior to June 1st of each year to coordinate services for the upcoming storm season. Additionally, Monitor shall meet with the CITY immediately prior to a credible disaster threat. These meetings shall occur at no cost to the CITY and are meant to facilitate increased coordination of efforts, to discuss the CITY's expectations of the Monitor, and to fast track recovery activities when a disaster strikes.

Safety Meetings and Monitoring Updates:
Safety of monitoring staff is of paramount importance. Monitor will hold regular meetings with debris monitors and staff for project updates and to communicate safety issues. If important information becomes available, the staff may meet more frequently.

Coordination Meetings with Contractor(s):
Monitor will initiate a coordination meeting with the debris removal contractor to help expedite the work, and to discuss any issues that may arise during the project. It is important that the monitor and contractor are communicating with each other to ensure a successful project.

Contractor Damages:
The Monitor may be asked to develop a database application to track and help the CITY manage damages caused by contractors during the debris clearing/removal process damages.

Status Reports:
Monitor will provide detailed daily or weekly status reports to the CITY as requested for use and information. Relevant project statistics and cumulative statistics will be shown in a straight forward manner to officials to provide information to the media or to their constituents.

ATTACHMENT A

PROFESSIONAL SERVICES REQUEST FOR PROPOSLA FOR MONITORING OF DEBRIS REMOVAL AND RELATED SERVICES UNIT PRICE PROPOSAL FORM

Proposal costs are inclusive of all related expenses including, but not limited to, contract administration, technical assistance to the City, personnel training and certification, TDMS management, services for security, safety, and associated actions necessary for implementation of debris management monitoring operations by the Proposer as defined in the Contract.

PROPOSAL FROM:
Company:____

Address: ____

____

Phone/ Fax: ______________________________________

To furnish all materials, equipment and labor and to perform all work in accordance with the Contract Documents for construction of: **Professional Services for Monitoring of Debris Removal and Related Services**, located at various locations within CITY OF KEY WEST, Florida.

To: *CITY OF KEY WEST*
ATTN: CITY CLERK
525 Angela St.
P.O. Box 1409
Key West, FL 33040

1.0 The undersigned Proposer proposes and agrees, if this Proposal is accepted, to enter into a Contract with CITY in substantially the form as the Contract included in the Proposal Documents to perform all Work and any Additional Services as specified or indicated in the Proposal Documents at the unit prices and within the times indicated in this Proposal and in accordance with the other terms and conditions of the Proposal Documents.

2.0 Proposer accepts all of the terms and conditions of the Invitation to Proposal and Instructions to Proposers, including without limitation those dealing with the disposition of Proposal security. The Proposal will remain subject to acceptance for 90 days after the Proposal opening, or for such longer period of time that Proposer may agree to in writing upon request of CITY.

3.0 In submitting this Proposal, Proposer represents, as set forth in the Contract, that:

A. Proposer has examined and carefully studied the Proposal Documents, the other related data identified in the Proposal Documents, and the following Addenda, receipt of all, which is hereby acknowledged;

Addendum No.	Addendum Date
__________	__________
__________	__________
__________	__________

B. Proposer has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, and performance of the Work;

C. Proposer is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work;

D. Proposer has correlated the information known to Proposer, including location of the City in relation to any proposed final disposal sites, information and observations for City's Debris Separation/Reduction and Temporary Debris Management Sites obtained from visits to the Site, any reports and drawings identified in the Proposal Documents, and all additional examinations, investigations, and data provided with the Proposal Documents;

E. Proposer has given the City written notice of all conflicts, errors, ambiguities, or discrepancies that Proposer has discovered in the Proposal Documents, and the written resolution thereof by the City is acceptable to Proposer;

F. The Proposal Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Proposal is submitted.

4.0 Proposer further represents that this Proposal is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Proposer has not directly or indirectly induced or solicited any other Proposer to submit a false Proposal; Proposer has not solicited or induced any individual or entity to refrain from Proposal; and Proposer has not sought by collusion to obtain for itself any advantage over any other Proposer or over City.

5.0 Proposer acknowledges that there are no quantities guaranteed, and Unit Cost information is solely for the purpose of comparison of Proposals, and final payment for all Unit Price Proposal items will be based on actual services provided, determined as provided in the Contract Documents.

6.0 Proposer acknowledges that all unit costs include any necessary insurance and bonds.

Table A – Unit Price

Positions	Staffing Ratio	Hourly Rate	Estimated Hours	Extended Cost
Principal In Charge				
Project Manager				
Deputy / Operations Manager				
IT Specialist				
Project Coordinator				
Data Manager				
GIS Analyst				
Field Supervisor				
Debris Site / Tower Monitors				
Collection Monitor				
Citizen Drop Off Site Monitor				
Data Entry Clerk/ Clerical				
Billing / Invoice Analysts				
Billing / Invoice Manager				
FEMA Coordinator / Specialist				
Public Information Support Manager				
Call Center Staff				
Total Estimated Cost				

Confirmation of Signature of Unit Price Proposal Information

______________________________ ______________________

Name of Proposer Signature of Proposer

____

Title

7.0 Proposer's Information:

The PROPOSER states that they are an experienced CONTRACTOR, providing Debris Monitoring Services and has completed similar Work within the last five years. This information has been provided on Contractor's Qualifications Statement Attachment D.

8.0 Proposer accepts the provisions of the Contract. If the Proposer takes exception to any of the provisions in the Contract, the Proposer will provide a list of the exceptions under a separate Tab.

9.0 The Proposer is familiar with the terms used in this Proposal and the meanings indicated.

PROPOSAL SUBMITTED on ______________________, 2011.

State Contractor License No.______________________________ . (If applicable)

License Type: ____________________

If Proposer is:
An Individual

Name (typed or printed): ______________________________

By: ______________________________(SEAL)
(Individual's signature)

Doing business as: ______________________________

Business address: ______________________________

Phone No:______________________ FAX No.:______________

If Proposer is:
A Partnership

Partnership Name: ______________________________(SEAL)

By: ______________________________
(Signature of general partner -- attach evidence of authority to sign)

Name (typed or printed): ______________________________

Business address: ______________________________

____

Phone No: ______________________FAX No: ______________

If Proposer is:
A Corporation

Corporation Name: ______________________________(SEAL)

State of Incorporation: ______________________________

Type (General Business, Professional, Service, Limited Liability): ______________

By: ______________________________
(Signature -- attach evidence of authority to sign)

Name (typed or printed): ______________________________

Title: ____

(CORPORATE SEAL)

Attest: ____
(Signature of Corporate Secretary)

Business address: ______________________________________

____

Phone No: ______________________ FAX No: ________________

Date of Qualification to do business is ____________________________

ATTACHMENT B
PROPOSER'S TECHNICAL APPROACH / GENERAL OPERATIONS PLAN

A detailed description of how the Proposer would respond to a Hurricane or other event. In the Plan, assume that A Category 2 Hurricane has made landfall on the City of Key West generating the amount of debris described below.

Vegetative Debris	146,000	Cubic Yards
Construction and Demolition Debris	48,000	Cubic Yards
Mixed Debris	6,000	Cubic Yards
White Goods	1,000	Units
House Hold Hazardous Waste	1,000	Pounds
Total Yards	200,000	

Proposer's Operations Plan should be very detailed describing:

- Meetings,
- Timeline,
- Equipment to be mobilized,
- Manpower needed,
- Monitoring of collections,
- TMDS operations,
- Demobilization,
- Monitoring site remediation if needed,
- Close out.

Proposer shall include a detailed Safety Plan. Documentation of training for each crewmember must be submitted with the Proposal and updated annually.

ATTACHMENT C

PROPOSER'S QUALIFICATIONS STATEMENT FORM

The undersigned guarantees the truth and accuracy of all statements and the answers contained herein.

1. Please describe your company in detail.

____

____

____

2. The address of the principal place of business is:

____

____

____

3. Company telephone number, fax number and e-mail addresses:

____

____

____

4. Number of employees:

____

____

____

5. Number of employees or subcontractors to be assigned to this project (per event) and what is capacity?

____

____

____

6. Company Identification numbers for the Internal Revenue Service:

____

____

____

7. Provide **Occupational License Number (and County)**, if applicable, and expiration date:

____

8. How many years has your organization been in business? Does your organization have a specialty?

9. What is the last project of this nature or magnitude that you have completed? Please provide project description, reference and cost of work completed.

10. Have you ever failed to complete any work awarded to you? If so, where and why?

11. Give names, addresses and telephone numbers of three individuals, corporations, agencies, or institutions for which you have previously performed work. List of ALL disaster response contracts performed in the last 5 years, including customer name, total contract amount and yards removed. Use a separate tab if necessary.

11.1.
Name__________

Address __________

Telephone No. __________

11.2.
Name__________

Address __________

Telephone No. __________

11.3.
Name__________

Address __________

Telephone No. __________

12. List the following information concerning all contracts **in progress** as of the date of submission of this bid. (In event of co-venture, list the information for all co-ventures.)

Name of Project	Owner	Value	Contracted Completion Date	% of Completion to Date

(Continue list on insert sheet, if necessary.)

13. Has the Proposer or Representative inspected the proposed project site and does the Bidder have a complete plan for performance of disaster response services?

____

____

14. Provide list of subcontractor(s), the work to be performed and also a list of major materials suppliers for this Project?

Sub Contractor Name	Address	Work to be Performed

(Continue list on insert sheet, if necessary)

The foregoing list of subcontractor(s) may not be amended after award of the contract without the prior written approval of the City Manager.

15. What equipment do you own that is available for the work?

PROVIDE LIST IN ATTACHMENT

16. What equipment will you purchase for the proposed work?
(Continue list on insert sheet, if necessary)

____

____

18. What equipment will you rent for the proposed work?
(Continue list on insert sheet, if necessary)

____

____

19. State the names of the proposed project team and include resumes, and give details of his or her qualifications and experience in managing similar work.

(Continue list on insert sheet, if necessary)

____

____

____

20. State the true, exact, correct and complete name of the partnership, corporation or trade name under which you do business and the address of the place of business. (If a corporation, state the name of the president and secretary. If a partnership, state the names of all partners. If a trade name, state the names of the individuals who do business under the trade name.)

____

____

20.1 The correct name of the Proposer is:

____

____

20.2 Insurance

20.2. The business is a (Sole Proprietorship) (Partnership) (Corporation).

____

20.3 The names of the corporate officers, or partners, or individuals doing business under a trade name, are as follows:

____

____

SUBMITTED BY:

______________________ ______________________

SIGNATURE PRINT NAME/ TITLE

STATE OF FLORIDA)

) SS.

COUNTY OF ________)

The foregoing instrument was acknowledged before me this _____ day of ______________,

2010, by __________________________who is personally known to me or who has

produced ______________________________ as identification and who did/did not take an oath.

WITNESS my hand and official seal, this ______ day of _______________, 2011.
(NOTARY SEAL)

____

(Signature of person taking acknowledgment)

ATTACHMENT D

PROPOSER'S MOST CURRENT FINANCIAL STATEMENT

ATTACHMENT E

LIST OF AVAILABLE EQUIPMENT AND FACILITIES

(Including Location)

(List may also be attached.)

EQUIPMENT	TYPE	QUANTITY

ATTACHMENT F

STATEMENT THAT PROPOSER IS FAMILIAR CITY'S TDMS SITES

SUMMARY OF
LOCATIONS FOR TEMPORARY DEBRIS
STORAGE AND REDUCTION SITES

PRIMARY SITES *(debris storage and reduction)*:

1. Truman Waterfront Property approximately 5 acres
2. 5701 College Road approximately 4 acres
3. Wickers Football Field approximately 3 acres

SECONDARY SITES *(debris storage only):*

1. Trumbo Road Property approximately 2 acres
2. Indigenous Park approximately 1 acre
3. South Roosevelt Boulevard Bridal Path approximately 4 acres

ATTACHMENT G

DESCRIPTION OF AND SAMPLE OF PROPOSER'S TICKETS AND FORMS

- ☐ Sample Load Ticket
- ☐ Sample Truck Capacity Certification Form
- ☐ Sample Force Labor Ticket
- ☐ Description and Print Screens of Proposers Ticket Tracking Data Base

ATTACHMENT H

PUBLIC ENTITY CRIMES CERTIFICATION

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to the City of Key West, Florida, by

   ____
   (print individual's name and title)

   for____
   (print name of entity submitting sworn statement)

   whose business address is______________________________
   and (if applicable) its Federal Employer Identification Number (FEIN) is

   (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement ____________________):

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any Proposal or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolocontendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   1. A predecessor or successor of a person convicted of a public entity crime: or

   2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which Proposals or applies to Proposal on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

   ___Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

   ___The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

   The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before an Administrative Law Judge of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Administrative Law Judge determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

____
(SIGNATURE)

____
(DATE)

STATE OF______________

COUNTY OF___________

PERSONALLY APPEARED BEFORE ME, the undersigned authority

________________________who, after first being sworn by me,

___________________________ (name of individual) affixed his/her signature in the space

provided above on this _____ day of ________, 2011.

____
NOTARY PUBLIC

____
Printed Name

My commission expires:

ATTACHMENT I

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS:

COUNTY OF MONROE

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

This sworn statement is submitted to the City of Key West, Florida, by

____

(print individual's name and title)

for____

(print name of entity submitting sworn statement)

whose business address is____

and (if applicable) its Federal Employer Identification Number (FEIN) is

(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement):

I, the undersigned, being hereby duly sworn, depose and say that no sum has been paid and no sum will be paid to any employee or elected official of the City of Key West as a commission, kickback, reward or gift, directly or indirectly, by me or any member of my company, or by any officer or agent of the corporation.

BY:___________________________________

TITLE:_________________________________

sworn and prescribed before me this ____ day of ________, 2011.

____

NOTARY PUBLIC, State of Florida
My commission expires:

ATTACHMENT J

CONFLICT OF INTEREST STATEMENT

Proposer must disclose the name of any person that is an employee of the City and also an officer, director, employee or agent of the Proposer, or a relative of an officer, director, employee or agent of the Proposer. Further, each Proposer must disclose the name of any City employee that owns, directly or indirectly, an interest of one percent (1%) or more in the Proposer's company, its affiliates, or parent or subsidiary organizations.

____

Persons Name

Describe the Persons Possible Conflict of Interest

ATTACHMENT K

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

a. **Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.**

b. **Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.**

c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.

- o Not a local vendor pursuant to Ordinance 09-22 Section 2-798
- o Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name: ________________________________ Phone: ________________

Current Local Address: __________________________ FAX:__________________
(P.O Box numbers may not be used to establish status)

Length of time at this address ____

___________________________________ ______________________
Signature of Authorized Representative Date

STATE OF____________________

COUNTY OF__________________

The foregoing instrument was acknowledged before me this _________day of ________, 20___.

By____, of___________________________
(Name of officer or agent, title of officer or agent acknowledging) Name of corporation

or has produced ____as identification
(type of identification)

____
Signature of Notary

____
Print, Type or Stamp Name of Notary

____
Title or Rank

Return Completed form with
Supporting documents to:
City of Key West Purchasing

ATTACHMENT L

ACKNOWLEDGEMENT OF CONFORMANCE WITH O.S.H.A. STANDARDS

TO: CITY OF KEY WEST

Proposer's Name: _______________________________________, hereby acknowledge and agree that I/We have the sole responsibility for compliance with all requirements of the Federal Occupational Safety and Health Act of 1970, and all State and Local Safety and Health regulations, and agree to indemnify and hold harmless the CITY, its officers, agents, employees, and consultants against any and all legal liability or loss the CITY, its officers, agents, employees, and consultants may incur due to failure to comply with such act.

___________________________________   ______________________________
ATTEST   PROPOSERS NAME

___________________________________ By: ______________________________
ATTEST

Title: ______________________________

____
DATE

ATTACHMENT M

**COPY OF STATE OF FLORIDA BUSINESS LICENSE;
CORPORATE FILINGS; OR
ARTICLES OF INCORPORATION AS
REQUIRED BY THE SECRETARY OF STATE, FLORIDA**

ATTACHMENT N

MINIMUM REQUIREMENTS FOR EVIDENCE OF INSURABILITY

Insurance / Evidence of Insurability

1. CONTRACTOR shall secure and maintain throughout the duration of this Agreement insurance of such types and in such amounts as specified below, naming the CITY as an additional insured, underwritten by a firm qualified to do business in the State of Florida. CONTRACTOR shall not permit allow any Subcontractor to commence work on its Subcontract until the insurance required of the Subcontractor has been obtained an approved.

2. All insurance policies shall be issued by companies authorized in the State of Florida, with an A.M. Best rating of A-:VI or higher and shall provide evidence of such insurance to the CITY. The policies or certificates shall provide thirty (30) days prior to cancellation written notices for all of the required insurance policies stated below. All notices shall name the CONTRACTOR and identify the agreement or contract number. The City of Key West, all Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees are to be added as "additional insured" as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

3. The status of the CONTRACTOR in the work to be performed outlined in this contract shall be that of an independent Contractor. As such, CONTRACTOR shall properly safeguard against any and all damage, loss or injury to persons or property that may arise, or be incurred in or during the conduct or progress of said work without regard to whether or not CONTRACTOR, its Subcontractors, agents, or employees have been negligent.

4. The CONTRACTOR shall assume all responsibility for risks or casualties of every description, for any and all damage, loss or injury, to persons or property arising out of the nature of the work; negligence or failure of its employees and Subcontractors to comply with the Contract Documents; arising from action of the elements or from any unforeseen or unusual difficulty. The CONTRACTOR shall indemnify and save harmless the CITY, and all of its officers, agents and employees from all claims, demands and liabilities of any kind whatsoever in connection with work resulting from any acts of omission or commission chargeable to the CONTRACTOR, its Subcontractors and/or their respective duly authorized servants and/or employees. The CONTRACTOR agrees that the foregoing indemnification clause shall be insured under its Commercial General Liability policy, which must be endorsed to include Contractual Liability. If the CITY deems it necessary, the CONTRACTOR shall produce evidence of claims that have eroded the aggregate limit.

5. WORKER'S COMPENSATION INSURANCE - The CONTRACTOR shall procure and shall maintain during the life of this Contract Workmen's Compensation Insurance in compliance with the Compensation law of the State of Florida for all of its employees to be engaged in such work at the site of the project under this Agreement and in case of any such work is sublet, the CONTRACTOR shall require the Subcontractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by

the CONTRACTOR 's Workmen's Compensation Insurance. In case any class of employees engaged in hazardous work on the project under this Contract is not protected under Workmen's Compensation Statute, the CONTRACTOR shall provide and shall cause such Subcontractor to provide adequate employer's liability insurance for the protection of such if its employees are not otherwise protected.

6. Contractor's Commercial General Liability Insurance and Automobile Liability Insurance
   a. The CONTRACTOR 's Commercial General Liability (CGL) shall be in an amount acceptable to the CITY but not less than $1,000,000.
   i. Combined Single Limit per occurrence and $2,000,000 annual aggregate per project. The City of Key West must be named as an additional insured. The coverage must include:
      a. Commercial Form
      b. Premises/Operations

7. CONTRACTOR shall maintain products/completed Operations
   a. Independent Contractors (if any part of the Work is to be subcontracted)
   b. Broad Form Property Damage
   c. Personal Injury
   d. Cross-Liability Coverage

8. CONTRACTOR shall maintain products/completed operations coverage with a combined single limit no less than $1,000,000 per occurrence of bodily injury/property damage for a period of at least twelve (12) months following final acceptance of Contractor's work by the CITY.

9. The CONTRACTOR's Commercial automobile Liability insurance must provide coverage for owned, non-owned, and hired vehicles and trailers used in connection therewith, with a combined single limit for bodily injury and property damage no less than $1,000,000 per occurrence, with the City of Key West named as additional insured.

10. The insurance required herein and approval of CONTRACTOR's insurance by the CITY shall not relieve or decrease the liability of the CONTRACTOR hereunder.

11. SUBCONTRACTOR'S COMMERCIAL GENERAL LIABILITY INSURANCE AND VEHICLE LIABILITY INSURANCE - The Contractor shall either (1) require each of its Subcontractors to procure and to maintain during the life of its subcontract, Commercial General Liability Insurance and Vehicle Liability Insurance of the type and in the amounts specified in Sub-Paragraph 10.6 hereof, or; (2) to insure the activities of its Subcontractors in its policy, as specified in Sub-Paragraph 10.6 hereof.

12. SCOPE OF INSURANCE AND SPECIAL HAZARDS - The insurance required under Sub-Paragraph 3 and 4 hereof is a minimum to provide adequate protection for the Contractor and its Subcontractors, respectively, against damage claims which may arise from operations under this Contract, whether such operation be by the insured or by anyone directly or indirectly employed by the insured and, also against any of the special hazards which may be encountered in the performance of this Contract.

13. RENEWAL REQUIREMENTS- If any of the property or casualty insurance requirements are not complied with at their renewal dates, payments to the Contractor will be withheld until those requirements have been met or, at the option of the City of Key West, City of Key West may pay the renewal premium and withhold such payment from any monies due the Contractor.

14. CLAIMS- In the event that claims in excess of the insured amounts provided are filed by reason of any operations under the services provided by the Contractor, the amount of excess of such claims, or any portion thereof, may be withheld from payment due until such time as the Contractor shall furnish such additional security covering such claims as may be determined by the City of Key West.

ATTACHMENT O

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING DEBRIS REMOVAL AND RELATED SERVICES PROVIDER: COPY OF CONTRACT DOCUMENTS

ATTACHMENT P

COPY OFTHE REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES FOR MONITORING DEBRIS REMOVAL AND RELATED SERVICES PROVIDER

ADDENDUM 1: REQUEST FOR PROPOSALS: # 008-11
FOR PROFESSIONAL SERVICES FOR MONITRIOING OF DEBRIS REMOVAL
April 8, 2011

This addendum is issued as supplemental information to the bid package for clarification of certain matters of both general and a technical nature. The referenced bid package is hereby addended in accordance with the following items:

1. The RFP is in a .pdf file format that is password protected. Can the City release a .pdf file that is not password protected so that proposers may add content directly onto the document using the Typewriter feature, or release a Word file version?

   A. The CITY's policy is to provide documents in PDF format.

2. Are all respondents to this RFP required to hold a Key West Occupational License prior to contract award, or would it be acceptable to secure that post-award?

   A. At the time of bid the successful Proposer must demonstrate that he holds, as a minimum, the following licenses and certificates:

   A valid Occupational License issued by the City of Key West in accordance with
   - ☐ Chapter 18 Section 116.
   - ☐ License(s) required by State of Florida

3. The City's price table has a column for Staffing Ratio - can we assume that what is needed here is the number of personnel anticipated to be needed to response to the scenario on Attachment B, and that the estimated hours in this table likewise should correspond to this scenario.

   A. Yes, use the scenario outlined in Attachment B.

4. For comparison purposes, hours and number of positions might be best standardized for each respondent. Staffing levels for monitoring teams fluctuate according to the number of trucks deployed, and our project team is generally scaled to accommodate both the event and our client's requirements and staffing levels vary throughout the course of the response and recovery process. Would the City consider specifying the number of positions and hours to use in this price table, in order to ensure that responses are consistent and comparisons easily made?

   A. Positions described on page 10 have been identified in the CITY's Debris Management Plan. It is the proposer's responsibility to provide a "plan" to adequately respond to the scenario in Attachment B.

All proposers shall acknowledge receipt and acceptance of this Addendum No. 1 by submitting the addendum with their proposal. Proposals submitted without acknowledgment or without this Addendum may be considered non-responsive.

______________________	Science Applications International Corporation
Signature	Name of Business

ADDENDUM 2: REQUEST FOR PROPOSALS: # 008-11
FOR PROFESSIONAL SERVICES FOR MONITORING OF DEBRIS REMOVAL
April 18, 2011

This addendum is issued as supplemental information to the bid package for clarification of certain matters of both general and a technical nature. The referenced bid package is hereby addended in accordance with the following items:

1. Please clarify the City's response to Question #2 found on Addendum #1. Does the City desire proposers to have a Key West occupational license at the time of bid submission (May 4, 2011)?

    A. City Code does not require a valid Occupational License at time of bid.

2. In regards to Attachment O, does the City desire to see a copy of the proposer's standard contract/language? If not, what does the City expect to receive in response to Attachment O?

    A. Yes, proposers are to provide a copy of their standard / language contract.

3. What does the City expect to receive in response to Attachment P?

    A. The proposer is to provide a copy of the RFP as downloaded from their source.

All proposers shall acknowledge receipt and acceptance of this Addendum No. 1 by submitting the addendum with their proposal. Proposals submitted without acknowledgment or without this Addendum may be considered non-responsive.

	Science Applications International Corporation
Signature	Name of Business