

NEVADA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
2017 SECOND REVISED AND RESTATED GRANT PROGRAM CONTRACT

THIS 2017 SECOND REVISED AND RESTATED GRANT PROGRAM CONTRACT("2017 Revised Contract") is entered into this ____ day of _____, 2017, by and between the **NEVADA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT**, (hereinafter referred to as "GOED"), and the **NEVADA INSTITUTE FOR AUTONOMOUS SYSTEMS** (hereinafter referred to as the "NIAS") (jointly "the Parties").

WHEREAS, In 2011, Nevada embarked on an economic development and diversification strategy that includes the development of the autonomous unmanned systems (UAS) industry.

WHEREAS, In 2012, Nevada began a robust effort to secure the Federal Aviation Administration's (FAA's) designation as one of six UAS test sites established to assist the FAA with integration of Unmanned Aerial Vehicles (UAVs) in the National Air Space (NAS) by 2015.

WHEREAS, While Nevada's response to the FAA presented a compelling description of Nevada's UAS testing assets, in order to fully position Nevada as the front runner for test site designation, it was deemed necessary to establish and fund a UAS Program Management Office (PMO) to prepare the State to receive the FAA's designation and, when successful, to serve as the centerpiece for the management of the testing and ranges across the State.

WHEREAS, NIAS was formed to act as the PMO.

WHEREAS, The 2013 session of the Nevada legislature authorized \$1,000,000 for the purpose of readying the State for designation as a UAS test site, and appropriated these funds to GOED's grant budget category. Subsequently, an additional \$4,000,000 was placed in the Interim Finance Committee's (IFC) Contingency Account with the stated purpose of making these funds available to GOED in the event Nevada received the FAA's designation and for the purpose of providing operating funding until the PMO could achieve financial self-sufficiency.

WHEREAS, In July of 2013, GOED entered into a Grant Agreement with NIAS to provide oversight of the PMO and to ensure its proper operation. The term of the Grant was from July 18, 2013 through December 31, 2013 and required the establishment of the PMO, management of the UAS General services and Support Schedule as the agent of the State of Nevada in preparation for fulfillment of the obligations of the FAA Other Transactional Agreement, verification and validation of Nevada UAS Test Range procedures primarily through preparation of a Master Library of Policy & Procedures, and providing expert advice, assistance, guidance and/or counseling in support of the State's efforts.

WHEREAS, GOED entered agreement with NASA two separate contracts, CRADA and IDIQ with an effective start date of August 24, 2015 and September 30, 2015 respectively. NASA CRADA and IDIQ funding and terms are outlined in Exhibit A.

WHEREAS, In December of 2013, the IFC approved GOED's request to allocate \$1,496,000 of the \$4,000,000 for operations, contingent upon receipt of the FAA's designation, and upon NIAS operating in accordance with the State's Open Meeting Law. Certain reporting requirements were also a condition of funding.

WHEREAS, On December 30, 2013, the FAA designated Nevada as one of six test sites for integrating UAS into the NAS. The performance of NIAS as the PMO was deemed by GOED to be a significant contributing factor to the State's designation as an FAA test site.

WHEREAS, on June 18, 2014, GOED AND NIAS entered into a Grant Program Agreement with a term beginning January 1, 2014 and ending December 31, 2014.

WHEREAS, on December 9, 2014 the IFC approved BOED's requests to allocate a total of \$2,708,000 of the \$4,000,000 placed in the IFC Contingency Account.

WHEREAS, following the expiration of the Grant Program Contract dated as of June 18, 2014, the Parties entered into a 2015 Revised and Restated Grant Program Contract with a term beginning January 1, 2015 and ending December 31, 2016.

NOW, THEREFORE, the Parties agree in exchange for valuable consideration as follows:

1. GRANT:

GOED agrees to grant the monies contemplated by this 2017 Revised Contract to NIAS in exchange for receipt of services provided by NIAS acting as the PMO. The grant is to be used to provide funding for staffing and operation of the PMO, including personnel, facilities, travel, marketing, and insurance, among other potential expense categories. Additionally the grant is to be used to provide funding for necessary legal and accounting costs. The Grant is intended to provide funding to achieve the results outlined in Section 2 of this 2017 Revised Contract.

2. DUTIES OF NIAS:

NIAS agrees to continue to provide proper operation of the PMO using the grant monies up until the time the PMO reaches financial self-sufficiency. NIAS expressly agrees to:

- a. Execute the requirements of the federal contracts listed on Exhibit A hereto and the operations associated with those activities, including maintenance of all safety and privacy requirements on behalf of the State of Nevada as the named contract party, the UAS industry, the citizens of Nevada, and other stakeholders.

- b. Demonstrate adequate progress toward generating flight activity, research activity, and providing opportunities for teammates and industry.
- c. Position Nevada to be a cornerstone of the UAS industry by operating the test site in a superior manner in all respects, facilitating Nevada's efforts to take a leading position in areas of need and interest to the FAA, FTC, NASA, and the UAS industry, and providing superior service to customers of the PMO.
- d. Provide monthly or quarterly board updates to the NIAS Board of Directors as instructed from time to time.
- e. Provide quarterly progress and activity reports by the end of the month following the end of each quarter.
- f. Provide financial reports including monthly balance sheets and income statements and such other items as the NIAS board may request within 25 calendar days following the end of each month.
- g. Provide monthly customer backlog information including anticipated revenue and expenses associated with each contract.
- h. Submit a budget for each period of time identified by GOED for potential approval by GOED. The initial budget period is January 2017 through June 2017. NIAS may only incur expenses payable from this Grant Program which are identified in a budget approved by GOED.
- i. Ensure that all expenditures fall within the amounts and timeframes prescribed by approved budgets.
- j. It is the intention of the Parties to this contract that NIAS will develop income sources separate and independent from this Grant Program such as fees received for services rendered, and donations and grants from sources other than GOED, which revenues will not be subject to the GOED budget process, but will be subject to the NIAS budget.

3. NOTICES

Communications and details concerning this 2017 Revised Contract shall be directed to the following 2017 Revised Contract representative:

GOED:

Governor's Office of Economic Dev.
Steven D. Hill, Executive Director
808 West Nye Lane
Carson City, Nevada 89703
Phone: 775-687-9900
steve.hill@diversifynevada.com

GRANTEE:

NIAS
John Valery White, Chairman
c/o Nevada Institute for Autonomous Systems
6795 Edmond Street
Suite 300
Las Vegas, NV 89118
Phone: 702-479-2987
John.v.white@nias-uas.com

4. PERFORMANCE-BASED FUNDING

Performance Based Funding: GOED will compensate NIAS and authorize expenditure of a portion of, or all of, the approved funding for operations of the PMO to accomplish the goals as detailed in this 2017 Revised Grant Contract, as mutually agreed to by GOED and NIAS.

5. PROCEDURAL REQUIREMENTS

- a. The NIAS Board or its designee will monitor the performance of the PMO against each of the performance-based elements listed in Exhibit B hereto.
- b. Substandard performance as determined by the NIAS Board or its designee will constitute non-compliance with this 2017 Revised Contract. If action to correct such substandard performance is not taken by the PMO within 60 days after being notified by the NIAS Board or its designee, compensation amounts may be withheld or reduced or the Contract may be terminated without further financial compensation to the PMO.
- c. Expected program outcomes may be modified by the NIAS Board or its designee if the PMO provides sufficient justification in writing, and these modifications are approved in advance, in writing, by GOED.

6. TERM

The term of this 2017 Revised Contract shall be January 1, 2017 through September 30, 2019.

7. METHOD OF PAYMENT

The PMO shall send a request to the NIAS Board for funding in whole or in part following the performance of work contemplated by this Program Contract, using the Request for Disbursement Form attached hereto as Exhibit C.

8. TERMINATION

This grant may be terminated, at GOED's sole discretion, at any time upon 30 days written notice. Such notice must be sent certified mail/return receipt requested to the Chairman of NIAS as well as to the Attorney of record for NIAS.

IN WITNESS WHEREOF, the Parties hereto have executed this 2017 Revised Contract as of the date entered into on the first page hereof.

GOED

NIAS

By: _____
Steven D. Hill, Executive Director

By: _____
John Valery White, Chairman

EXHIBIT A
FEDERAL CONTRACTS

NASA IDIQ – NND15SA92B = \$5,000,000 (Award Date 8/24/15)

Establish IDIQ Contract to leverage the Federal Aviation Administration Unmanned Aircraft Services Test Site to conduct research tasks into unmanned and autonomous flight technologies that will provide the Center a contracting vehicle to award individual Task Orders for a full range of services to support the AFRC UAS in the NAS Office.

I. GENERAL

1.1 Background

The NASA Armstrong Flight Research Facility (AFRC), P.O. Box 273, Edwards, CA has a requirement to leverage the Federal Aviation Administration (FAA) Unmanned Aircraft Services (UAS) Test Sites to conduct research tasks into unmanned and autonomous flight technologies that will provide the Center a contracting vehicle to award individual Task Orders for a full range of services to support the AFRC UAS in the NAS Office. The FAA MODERNIZATION and REFORM ACT (FMRA) of 2012, PL-112-95, required the FAA to establish a program to integrate unmanned aircraft systems (UAS) into the National Airspace System (NAS) at six (6) Test Ranges. The FAA authorized six Test Sites for the purpose of research, development, and testing of Unmanned Aircraft Systems (UAS) aircraft to support integration of unmanned aircraft into the National Airspace System (NAS). The expectation of the Test Sites is that they will bring unique capabilities and airspace features to the UAS community in order to facilitate the testing required to enable NAS access. It is anticipated that as concepts, technologies, and test techniques mature, the Test Sites will provide expanded testing infrastructure including Certificates of Authorization (COAs) for unmanned flight.

There are several major outcomes of this effort. These outcomes span two NASA projects, UAS Traffic Management (UTM) and UAS Integration in the NAS (UAS-NAS). NASA has prepared this acquisition strategy in order to promote all test sites individually to participate in NASA activities, as well as to encourage teaming across test sites to gain cost efficiencies and maximize research data that will be delivered to NASA. The Government anticipates establishment of multiple IDIQ Contracts as a result of this RFP for the services described herein. Firm Fixed Price and or Cost Reimbursement Task Orders will be issued under the respective IDIQ Contracts for project specific services.

1.2 Objectives

The objective of the NASA UAS in the NAS Project is to help integrate unmanned air vehicles into the world around us. The Unmanned Aircraft Systems Integration in the National Airspace System project, or UAS in the NAS, will contribute capabilities designed to reduce technical barriers related to safety and operational challenges associated with enabling routine UAS access to the NAS.

1.3 Scope

There are several major outcomes of this effort. These outcomes span two NASA projects, UAS Traffic Management (UTM) and UAS Integration in the NAS (UAS-

NAS). NASA invites test sites to participate in NASA activities, as well as to encourage teaming across test sites to gain cost efficiencies and maximize research data that will be delivered to NASA.

1.3.1 Place of Performance

Support will primarily be provided at the Test Site Operator facilities, NASA Armstrong Flight Research Center, other NASA Center or other locations as designated. No travel required.

1.3.2 Period of Performance

The period of performance for this requirement will be five (5) years from the date of contract award.

II. GENERAL GUIDELINES FOR TASKS

The Center intends to establish multiple IDIQs with UAS Test Site Other with FAA Transaction Agreements designation contract holders. Upon award of the IDIQs and in accordance with (IAW) the fair opportunity to compete clause contained in the RFP, the ordering activity shall forward the identified requirement, performance work statement (PWS) or statement of work (SOW) as applicable, contract type and evaluation criteria to all IDIQ holders unless a separate determination is made in accordance with FAR 16.505(b)(2)(i) to request quotations from a lesser number. Factors such as technical capability, price, past performance on prior Task Orders (quality of deliverables/services, timeliness, and cost control), and socioeconomic considerations may be considered in determining award of individual Task Orders. The Center will evaluate all responses received and place the Task Order with the IDIQ holder that represents best value. Contractors may be required to respond to a Task Order RFP in as little as ten days.

III. PERFORMANCE REQUIREMENTS SUMMARY

Task Order Performance Objectives will be identified in the individual Task Orders.

IV. DELIVERABLES

Task Order Deliverables will be identified in the individual Task Orders.

V. GOVERNMENT FURNISHED PROPERTY

The Contractor shall report annually any NASA property in Custody of Contractors that has been furnished or that has been acquired by the Contractor under the terms of the Contractor. The report shall be submitted on NASA Form 1018 no later than June 30th of each year. Specific instructions for the preparation of NASA Form 1018 are contained in NASA FAR Supplement Subpart 1845.71.

VI. AIRWORTHINESS RESPONSIBILITIES AND OPERATIONAL RESPONSIBILITIES

As NASA and the FAA shall not be in operational control of the UAS operating at the Test Sites a clear declaration and understanding by each Test Site vendor needs to be clarified with the precise manner and processes in which each Test Site exercises their

authority as a public entity in regards to airworthiness, safety, training, and operations of UAS operated within their Test Site. The contractor shall be responsible for operational oversight. That includes aircraft and crew certification and range safety. The Test Site shall establish airworthiness, flight safety, mission readiness, and configuration control review processes and procedures to identify any hazards, to manage the risks associated with flight programs, to ensure safe flight operations, to manage and thoroughly document aircraft configurations, and to ensure that flight objectives satisfy programmatic requirements.
(NPR 7900-003)

The Test Site shall be responsible to delineate specifically under whose public use authority that each Test Site's UASs shall be operated under, as part of their technical approach. The Test Sites are expected to operate under their own public use authority, and not that of NASA's. This information is needed to determine the operator's understanding of the SOW requirements to ensure the quality of deliverables as well as the processes and authority for complying with federal regulations for the performance of government flight activities. The Test Site shall submit their documents that address current or planned airworthiness processes and other associated documentation that addresses operational control plans and incident response for NASA Review. [30 days after contract award]

NASA CRADA NNX15AV03A – Total Budget = \$1,247,703.80 (Effective Date 9/30/15) (Completion Date 8/31/2020)

Nevada FAA UAS Test Site Support SVCS Incrementally Funded Amount: \$250,000

Direct Labor Costs:	\$555,603.80
Direct Equipment Costs:	\$22,500.00
Direct Travel Costs:	\$240,000.00
Other Direct Costs:	<u>\$429,600</u>
Total Costs:	\$1,247,703.80

This supplement is hereby issues to obligate funds in the amount of \$249,540.76 for Year 1, and incrementally fund Year 2 in the amount of \$459.24. The total amount obligated on this supplement is \$250,000. This supplement fully funds Year 1 of 5. The remaining balance to fully fund Year 2 is \$249,081.52.

Costs for Out-years (Assumes no change in tasking or LoE. Costs are level loaded for years 2-5.)	YR 2	YR 3	YR 4	YR 5	Total for Yrs 2-5	(+ Yr 1)	Grand 5-Year Total
RTAA	\$139,456.00	\$139,456.00	\$139,456.00	\$139,456.00	\$557,824.00	\$139,456.00	\$697,280.00
GOED	\$59,104.76	\$59,104.76	\$59,104.76	\$59,104.76	\$236,419.04	\$59,104.76	\$295,523.80
UNR	\$50,980.00	\$50,980.00	\$50,980.00	\$50,980.00	\$203,920.00	\$50,980.00	\$254,900.00
Total	\$249,540.76	\$249,540.76	\$249,540.76	\$249,540.76	\$998,163.04	\$249,540.76	\$1,247,703.80

FAA OTA DTFAC-15-A-0003 = Contract amount based on specific task order.

Period of Performance (12/30/2013 to 9/30/2019)

EXHIBIT B

PERFORMANCE-BASED ELEMENTS

1. On a quarterly basis, NIAS will demonstrate progress in expanding airfields and other test flight facilities throughout Nevada.
2. On a quarterly basis, NIAS will increase the amount of COA Test Flights conducted.
3. On a quarterly basis, NIAS will develop a list of new and potential clients from within the UAV industry.
4. On an annual basis, NIAS will monitor the Nevada UAV industry and submit a report to capture the growth of the industry.
5. On an annual basis, NIAS will report which appropriate industry conventions, expos, and event that will be attended on behalf of the State of Nevada.

EXHIBIT C

Nevada Governor's Office of
ECONOMIC DEVELOPMENT

Disbursement Request Form

Requester: _____

Requester's Title: _____

Date of Request: _____

Disbursement Information

Disbursement Number: _____ Disbursement Period: _____

Disbursement Amount: _____

Summary of Disbursement

Type of Payment (check all that apply): Partial Final

Disbursement Summary

Beginning Contract Balance: _____ \$

Adjustments (Specify): _____ \$

Current Period Disbursement Amount: _____ \$

Remaining Contract Balance: _____ \$

Approval Information

Requester: _____ Date: _____

Finance Review: _____ Date: _____

Grant Manager Review: _____ Date: _____

Executive Director: _____ Date: _____