DEFENSE LOGISTICS ACQUISITION DIRECTIVE (DLAD)

Revision 5

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(Revised October 28, 2016 through PROCLTR 2017-01)

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(Revised September 19, 2016 through PROCLTR 2016-09)

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SUBPART 1.1 – PURPOSE, AUTHORITY, ISSUANCE

(Revised October 20, 2015 through PROCLTR 2016-01)

1.105 Issuance.

1.105-3 Copies.

The DLAD is posted on the Acquisition Website at http://www.dla.mil/Acquisition/Pages/DLAD.aspx and on the Federal Acquisition Regulation Site (FARSite) at http://farsite.hill.af.mil/. The DLA Issuances Public Repository is posted at http://www.dla.mil/ISSUANCES/Pages/default.aspx.

1.170 Peer reviews.

(a) DoD peer reviews.

(1) An Integrated Acquisition Review Board (IARB) as defined in 2.101 is required prior to a DPAP peer review.

(2) If there is a discrepancy between the acquisition strategy and the DPAP peer review recommendations, the HCA shall confer with the DLA Acquisition Director to determine appropriate action.

(3) Within 15 calendar days after the date of the DPAP peer review report, the contracting officer shall document the disposition of all DPAP peer review recommendations in a memorandum for the record and furnish a copy to the DLA Acquisition Operations Division. If the contracting officer takes exceptions to any DPAP recommendations, they shall route the report through their HCA who will notify the DLA Acquisition Director and DLA Acquisition Operations Division prior to providing the response to DPAP. If the DLA Acquisition Director recommends any changes, he will discuss them with the HCA.

(b) Component peer reviews.

(1) HCAs are responsible for—

(i) Executing peer reviews in accordance with DoDI 5000.02 and DFARS Part 201; and

(ii) Conducting a minimum of two (2) reviews per fiscal year.

(2) Team members shall include representatives from other DLA contracting activities, DLA Acquisition, Office of Counsel, and Small Business Programs. The senior member chairs the review team.

(3) The DLA Acquisition Operations Division is responsible for oversight of peer reviews.

SUBPART 1.2 – ADMINISTRATION

(Revised October 20, 2015 through PROCLTR 2016-01)

1.201-90 Maintenance of the DLAD.

1.201-91 Amendment of regulations.

Recommendations for amending the FAR or the DFARS shall be submitted to the DLA Acquisition Policy Division for approval by the DLA Acquisition Director and submission to the DAR Council.

SUBPART 1.3 – AGENCY ACQUISITION REGULATIONS

(Revised October 20, 2015 through PROCLTR 2016-01)

1.301 Policy.

(a)(1)(i) The Defense Logistics Agency (DLA) Director has authorized the DLA Acquisition Director to issue the Defense Logistics Acquisition Directive (DLAD). The DLAD implements and supplements requirements of the Federal Acquisition Regulation (FAR), the Defense FAR Supplement (DFARS), DFARS Procedures, Guidance and Information (PGI), Department of Defense publications, and DLA Issuances. Pursuant to FAR 1.304, the DLAD establishes DLA regulations relating to the acquisition of supplies and services under the authority of Title 10 USC Chapter 137, or other statutory authority.

(ii) nly the DLA Acquisition Director is authorized to issue acquisition policies and procedures for use by acquisition personnel. Procuring organizations shall not issue acquisition policies or procedures. The DLA Acquisition Director approves all revisions to the DLAD, which are issued by numbered procurement policy PROCLTRs. Policies issued by PROCLTR are effective immediately, unless stated otherwise in the PROCLTR, and take precedence over the published version of the DLAD maintained on the Acquisition page in eWorkplace until the revisions are incorporated into the published version. PROCLTRs are maintained in eWorkplace under Organizations>Acquisition (J7)>Shared Documents>J-71>PROCLTR Archive.

(iii) Provisions and clauses. When solicitation provisions or contract clauses are required, the following procedures apply:

(A) The CCO may approve provisions and clauses developed for a single procurement that fulfill a specific and unique requirement of the acquisition or are a result of negotiations, subject to review by Office of Counsel prior to incorporation into a solicitation or contract. Such provisions and clauses shall not constitute a deviation from higher-level regulations or from the DLAD, or otherwise require DPAP approval. The CCO may delegate this authority to a level not lower than the Procurement Policy Chief. These provisions and clauses can be approved for one-time use only in a single acquisition or contract. One-time use provisions and clauses are not assigned DLAD numbers, but shall be identified in accordance with FAR 52.103 by title, date, and name of procuring organization that developed them.

(B) For a proposed repetitive-use provision or clause or for a substantive change to an existing provision or clause, requests shall be submitted to the DLA Acquisition Policy Division. The request shall be accompanied by prescriptive policy for use of the provision or clause on either an enterprise or non-enterprise basis.

(a)(2) Procuring organizations are authorized by the DLA Acquisition Director to issue internal guidance within the limitations of FAR 1.301(a)(2).

1.304 Agency control and compliance procedures.

(1)(i) Requests for approvals required by DFARS 201.304(1)(i) shall be submitted to the DLA Acquisition Policy Division.

SUBPART 1.4 – DEVIATIONS FROM THE FAR

(Revised October 20, 2015 through PROCLTR 2016-01)

1.402 Policy.

(S-90) All requests for deviations shall be submitted to the DLA Acquisition Policy Division.

(S-91) The DLA Acquisition Policy Division shall maintain a list of deviations granted to FAR, DFARS, and DLAD policies. Each deviation shall be formatted as FAR System (FARS) Deviation (DEV), Fiscal Year, and number. FARS DEVs are posted on the Acquisition Website at https://eworkplace.dla.mil/sites/S2/Pages/FARSDeviation%27s.aspx.

SUBPART 1.5 – AGENCY AND PUBLIC PARTICIPATION

(Revised October 20, 2015 through PROCLTR 2016-01)

1.501-2 Opportunity for public comments.

(b)(2) Comments on proposed rules in the Federal Register shall be submitted to the DLA Acquisition Policy Division.

SUBPART 1.6 –CAREER DEVELOPMENT, CONTRACTING AUTHORITY AND RESPONSIBILITIES

(Revised September 19, 2016 through PROCLTR 2016-09)

1.601 General.

(a)(S-90) Contracting authority flows from the DLA Acquisition Director to the five HCAs for the DLA contracting activities designated in DFARS PGI 202.101.

(a)(S-91) Authority conferred upon the HCA or the CCO under any paragraph of the DLAD may be delegated with power of redelegation to other officials, except when specifically limited by law or the FAR, DFARS, or DLAD. The CCOs will maintain a list of all their delegations and the delegations made by their respective HCAs, as authorized in this subpart. Written delegations of authority shall be uploaded in Document Automated Content Services-Records Management (DACS-RM) via https://www.dacsp.documentservices.dla.mil/landing_page/. (DACS-RM training and access are required.)

(a)(S-92) Any acquisition documentation requiring review and/or approval by the SPE or CAE shall be reviewed by the Office of Counsel and submitted through the HCA.

1.601-90 Critical acquisition responsibilities.

The HCA is responsible for maintaining oversight of the contracting function, which includes ensuring adequate oversight of all acquisitions conducted by the contracting activity and the fundamental integrity of its contracting system.

1.601-91 Contract Quality Review (CQR) Program.

(a) The CQR Program institutes a data-driven evaluation of each procuring organization and its contracting officers. The evaluation shall objectively measure quality performance to the standard outlined in the CQR manual referenced in paragraph (b) and present that evaluation in such a manner that enhances oversight and improves contract quality. This continuous review cycle, using a standardized checklist, collects and maintains data in a central repository to enable enterprise oversight, decision making, and corrective action. The CQR is synchronized with Contracting Officer (KO) Warrant Program reviews (see 1.602-90).

(b) For procedures associated with CQR Program roles and responsibilities, see DLAM 5025.03 at https://hqc.dla.mil/issuances/Pages/default.aspx.

1.602 Contracting officers.

1.602-2 Responsibilities.

(d)(S-90) *Contracting Officer's Representative (COR)*. For information on COR function and requirements, see DoDI 5000.72, DoD Standard for Contracting Officer's Representative (COR) Certification, at http://www.dtic.mil/whs/directives/corres/pdf/500072p.pdf.

(d)(S-91) *Contracting Officer's Representative Tracking (CORT) Tool Program*.

(i) See http://www.acq.osd.mil/dpap/pdi/eb/cor.html for procedures associated with the CORT Tool, training requirements, User's Guide, Frequently Asked Questions (FAQs), and a list of CORT Tool Department Administrators. DLA-provided ethics training meets the annual ethics training requirements for CORT Tool.

(iii) CORT Tool Department Administrators at each procuring organization can assist with access and navigation issues. A list of CORT Tool Department Administrators by location and DoDAAC can be accessed in eWorkplace under Organizations>Acquisition Organizations>Acquisition (J7)>Shared Documents>J73 Compliance Oversight and Acquisition Workforce>Contracting Officer's Representative Tracking Tool (CORT Tool).

1.602-2-90 Automated Procurement Systems Internal Controls (APSIC) Program.

(a) The APSIC Program standardizes the oversight of automated procurement system functional outcomes, pricing and responsibility logic, contracting officer training and documentation, postaward reviews of automated award files, and price trend analysis.

(b) For procedures associated with the APSIC Program, see DLAM 5025.06 at https://hqc.dla.mil/issuances/Pages/default.aspx.

1.602-3 Ratification of unauthorized commitments.

The authority to ratify unauthorized commitments valued over the SAT is delegated to the HCA and cannot be further delegated. The authority to ratify unauthorized commitments valued at or below the SAT is delegated to the CCO and cannot be further delegated. A Ratification of Unauthorized Commitments Checklist can be accessed in eWorkplace under Organizations>Acquisition (J7)>Share Documents>J-71> PROCLTR Archive.

1.602-3-90 Quantum meruit actions.

In accordance with DODI 1340.21, Enclosure 6, the authority to resolve disputes regarding quantum meruit claims has been delegated to the CAE and cannot be further delegated. The CAE will issue an initial determination and notice to the claimant. A Quantum Meruit Checklist can be accessed in eWorkplace under Organizations>Acquisition Acquisition (J7)>Share Documents>J-71> PROCLTR Archive.

1.602-90 Contracting Officer (KO) Warrant Program.

(a) The KO Warrant Program establishes a standard program for the selection, appointment, termination, and reinstatement of contracting officers to ensure that only those individuals who fully meet selection criteria are appointed and retained as contracting officers. Warrant candidates must satisfy prequalification appointment standards and proficiency assessments. KO Warrant Program reviews are synchronized with CQRs (see 1.601-91) and conducted to objectively assess compliance outcomes. Individual proficiency reviews are conducted continuously to ensure integrity of all warranted KOs through comprehensive work product reviews. All evidentiary matter is maintained in a central repository.

(b) For procedures associated with the KO Warrant Program, see DLAM 5025.04 at https://hqc.dla.mil/issuances/Pages/default.aspx.

1.602-91 Nonappropriated funds.

DoD policy for contracting actions using nonappropriated funds is in DoD Directive (DoDD) 4105.67 and Army Regulation (AR) 215-4, Nonappropriated Fund Contracting.

1.603-3-90 Micro-purchase contracting authority.

(a) Holders of a Government-Wide Commercial Purchase Card (GPC) have authority to make micro-purchases in accordance with DTM 13-001, Government Purchase Card, which can be accessed at http://www.dla.mil/issuances/Documents/DTM%2013-001.pdf. Written appointments of GPC holders shall be uploaded in Document Automated Content Services-Records Management (DACS-RM) via https://www.dacsp.documentservices.dla.mil/landing_page/. (DACS-RM training and access are required.)

(b) Individuals authorized to make micro-purchases by means other than the GPC shall be so designated, in writing, and are required to complete CON 237, Simplified Acquisition Procedures. Written designations shall be uploaded in DACS-RM via https://dacsp.documentservices.dla.mil/landing_page/. (DACS-RM training and access are required.)

1.603-3-91 Ordering Officers.
Written designations of ordering officers shall be uploaded in Document Automated Content Services-Records Management (DACS-RM) via https://dacsp.documentservices.dla.mil/landing_page/. (DACS-RM training and access are required.)

1.604 Contracting officer's representative (COR).
For policies regarding CORs and the COR Tracking (CORT) Tool program, see 1.602-2.

1.670 Appointment of property administrators and plant clearance officers.
(a) The appropriate agency appointment authority is the HCA. This authority may be delegated no lower than the O6/GS-15 level.
(b) DLA employees who meet the requirements specified in DFARS 201.670(b), including employees serving in the 1103 or 1150 job series or military equivalent job series, may be considered for appointment as Property Administrators or Property Managers. DLA does not appoint Plant Clearance Officers. Property administrator duties are identified in the DOD Guidebook for Contract Property Administration, dated December 2014.

1.690 Contract clearance and oversight.

1.690-1 Establishment of clearance authority.
The DLA Acquisition Director has delegated clearance authority to the lowest possible level consistent with law and regulation. Clearance for purposes of this section is the authorization to proceed to the next stage in the acquisition.
(a) Clearance authority for MAIS/MDAP is OSD for ACAT I unless authority has been delegated to DLA.
(b) Clearance authority for MAIS/MDAP is the CAE for ACAT II. This authority cannot be further delegated.
(c) Clearance authority for the acquisition of services over $250M and less than $1B (less than $500M for IT services) is the SPE. This authority cannot be further delegated.
(d) Clearance authority for all supply acquisitions is the HCA. HCAs are authorized to redelegate, in writing, HCA clearance authorities within their contracting activity.
(e) Clearance authority for the acquisition of services up to $250M is the HCA. HCAs are authorized to redelegate, in writing, HCA clearance authorities within their contracting activity.

1.690-2 Portfolio reviews.
The SPE will conduct biannual portfolio reviews of each contracting activity. The reviews will address:
(a) Oversight program.
(b) Pricing.
(c) Competition.
(d) Systems support.
(e) Better Buying Power implementation and metrics.
(f) Small Business program and implementation.
(g) Strategic acquisitions.
(h) Feedback from CCOs and contracting officer supervisors.

1.690-3 Strategic contract (STRATCON) oversight.
(a) The SPE and the Senior Services Manager (SSM) (for acquisition of services) reserve the right to review any acquisition.

(b) Procuring organizations shall report forecasted strategic contracts as defined in DLAD 2.101 to the DLA Acquisition Operations Division by the 10th of each month. The DLA Acquisition Operations Division will recommend acquisitions or contracts to be reviewed by the SPE/SSM.

(c) The SPE/SSM shall advise the HCAs of acquisitions that have been selected for review.

(d) HCAs shall consider holding Acquisition Strategy Review Panels (ASRPs) and Integrated Acquisition Review Boards (IARBs) for strategic contracts (see definitions in 2.101).

1.691 Legal review.

(a) Legal advice and assistance of Office of Counsel shall be obtained in the preparation of provisions or clauses other than standard FAR, DFARS, DLAD, or DLA Acquisition-approved provisions or clauses which are to be contained in solicitations, including all EPA clauses and revisions to EPA clauses; prior to taking action to resolve any instance of defective cost or pricing data or false claim; in the preparation and review of acquisition documents for procurements that are subject to the ASRP and IARB; and on any questionable legal areas in acquisitions, such as the preparation and/or execution of contractual documents.

(b) For purposes of this section, “contract action” includes both FAR and non-FAR procurements and related actions, including modifications and procurement actions that are not contracts per se, such as blanket purchase agreements (BPAs); and “simplified acquisition threshold” (SAT) means the threshold amount stated in its definition in FAR Subpart 2.1, without adjustment for special circumstances.

(c)(1) Contracting activities shall, at a minimum, require legal review for all contract actions that require review and/or approval by the HCA or CCO; review will include but not be limited to the following preaward documents:

(i) Solicitation packages, including solicitation documents (e.g., RFP, RFQ) with SOW/PWS/SOO, acquisition plans, source selection plans, justifications and approvals/limited source justifications, required determinations and findings, and related documents; and

(ii) Negotiation and preaward documents for best value awards, including competitive range determinations and award documentation (e.g., price negotiation memorandum and source selection decision document).

(2) In addition, contracting activities shall require legal review for all postaward contract administration actions that require review and/or approval by the HCA or CCO, including option exercises and funding and other modifications, but excluding administrative modifications not requiring the exercise of discretion by the contracting officer.

(d) Contracting offices under the DLA Acquisition contracting activity shall ensure that legal review is accomplished on all contract actions and supporting documents (such as required determinations and findings) with an estimated value over the following thresholds.

(1) DLA Contracting Services Office - $500,000;

(2) DLA Disposition Services - $700,000;

(3) DLA Document Services - SAT

(4) DLA Distribution - $1 million;

(5) DLA Strategic Materials - $700,000.

(e) For all procuring organizations, legal review is required for all acquisition matters listed below. When legal review is required by or conducted in accordance with another section of the FAR/DFARS/DLAD, the requirements of that section will govern. Legal review will be conducted for all listed actions that are not subject to legal review in accordance with another section of the FAR/DFARS/DLAD. Legal review is not required for routine issuance of task or delivery orders against existing DLA contracts, contracts developed by another agency in conjunction with DLA (e.g., Department of Veterans Affairs medical/pharmaceutical contracts), or for administrative modifications not requiring the exercise of discretion by the contracting officer.

(1) Letter contracts and other undefinitized contract actions (see Subpart 17.74);
(2) Justifications and approvals/limited source justifications/brand name justifications for procurements valued over the SAT;
(3) Solicitation and award of non-firm-fixed price and non-fixed price with EPA type contracts/orders valued over the SAT;
(4) Bundling and/or consolidation memoranda;
(5) Procurements valued over the SAT using non-DOD contracts (direct or assisted);6) Requests from non-DLA activities and agencies for contracting support or by other countries for Acquisition and Cross-Servicing Agreement (ACSA) or Fuel Support Agreement support;
(7) Procurement fiscal issues (for example, type and year of funding, incremental funding);
(8) Revisions or additions to procurement policy;
(9) Equipment or vehicle leases valued over the SAT;
(10) Research and development procurements and broad agency announcements valued over the SAT;
(11) Conflict of interest issues and determinations;
(12) Requests for equitable adjustment valued over the SAT and contracting officer final decisions;
(13) Claims, disputes, and protests;
(14) Ratifications valued over the SAT and all Quantum Meruit Claims;
(15) Cure/show cause notices in procurements valued over the SAT;
(16) Terminations for default/cause or convenience (not applicable to unilateral purchase orders);
(17) Mistake in bid/offer type issues;
(18) Multi-year contract determinations (see FAR Subpart 17.1);
(19) Waivers of certified cost or pricing data requirements;
(20) Cost Accounting Standards issues to include waivers;
(21) Cost allowability/reasonableness/allocability determinations;
(22) Advance payments and contract financing (see FAR Subparts 32.1 through 32.5, and 32.10);
(23) Novation and change of name agreements;
(24) Bankruptcy related issues;
(25) Buy American Act, Balance of Payments Program, and/or Trade Agreements Act waivers;
(26) No-cost contracts; and
(27) Requests for extraordinary contract relief (see FAR Part 50).

(f) Procuring organizations shall promptly refer matters for legal review. All acquisition matters referred for legal review shall be accompanied by a complete file with supporting material as appropriate (hardcopy or digital) or with a link to the relevant contract documents if maintained on a networked system to which the legal office has access. Procuring organizations should consider and include the anticipated time for legal review in acquisition planning timelines. If a procuring organization is contacted by a non-government attorney, the activity or office will immediately notify Office of Counsel.

(g) This policy shall not be further supplemented without the approval of the DLA Acquisition Director in consultation with the DLA General Counsel. Procuring organizations may submit a request for exception to a specific part of the policy in this section to the DLA Acquisition Director, who will determine whether to grant an exception in consultation with the DLA General Counsel. Requests for exception shall be coordinated with the Office of Counsel and shall include a detailed and complete rationale for the exception.

PART 2 – DEFINITIONS OF WORDS AND TERMS

(Revised October 20, 2015 through PROCLTR 2016-01)

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2.101 Definitions.

SUBPART 2.1 – DEFINITIONS

(Revised October 20, 2015 through PROCLTR 2016-01)

SUBPART 2.1 – DEFINITIONS

2.101 Definitions.

"Acquisition Strategy Review Panel (ASRP)" means an oversight group that conducts a review after completion of the market research report and the Business Case Analysis (BCA) and prior to development of the acquisition plan to analyze and approve the proposed contracting approach. The HCA is the chairman and clearance authority; unless the SPE requires an ASRP, in which case the SPE is the ASRP chair. Panel members shall include the following: DLA Acquisition Director; DLA Logistics Operations Director; DLA Information Operations Director; DLA Comptroller; HCA and/or Director or Commander of contracting office; Technical, Program, or Service Manager of procuring organization; and the Military Service Program or Technical Manager. Panel advisors shall include the following: DLA Competition Advocate (COMPAD); DLA General Counsel; DLA Small Business Programs Director; and, for acquisition of services, the SSM and Component Level Lead (CLL) and Portfolio Manager.

"Bridge contract" means a non-competitive contract/order or contract/order extension with an existing contractor to bridge the time between the original end of that contractor's contract/order (following exercise of all options or extension provisions meeting the requirements of FAR 17.207) and the competitive award of a follow-on contract/order.

"*Chief of the Contracting Office (CCO)*" means a Government employee with certification in the acquisition career field who has direct managerial responsibility for the operation of a contracting office as defined in FAR 2.1. CCOs are listed below.

Contracting Activity	Contracting Office	CCO
DLA Aviation	DLA Aviation Supplier Operations at Richmond (FA)	Deputy Directors, Supplier Operations
	DLA Aviation Strategic Acquisition at Richmond (A)	Director and Deputy Director, Strategic Acquisition
	DLA Aviation at Ogden (AU)	Director, Procurement Operations
	DLA Aviation at Oklahoma City (AO)	Director, Procurement Operations
	DLA Aviation at Warner Robins (AW)	Director, Procurement Operations
	DLA Aviation at Philadelphia (AP)	Director, Procurement Operations
	DLA Aviation at Huntsville (AH)	Director, Procurement Operations
DLA Energy	DLA Energy	Director, Procurement Process Support Directorate
DLA Land and Maritime	DLA Land and Maritime Procurement Process Support Directorate (BP)	Director, Procurement Process Support Directorate
	DLA Land at Warren (ZG)	Director, Procurement Operations
	DLA Land at Aberdeen (ZL)	Director, Procurement Operations

	DLA Land at Albany (ZB)	Director, Procurement Process Support Directorate
	DLA Maritime at Mechanicsburg (ZI)	Director, Procurement Operations
DLA Troop Support	DLA Troop Support (includes Medical, Subsistence, Clothing and Textile (C&T), Construction and Equipment (C&E), and Industrial Hardware Supply Chains; DLA Troop Support Europe and Africa; and DLA Troop Support Pacific)	Director, Procurement Process Support Directorate
DLA Acquisition	DLA Contracting Services Office (including locations at Philadelphia, Richmond, Columbus, Fort Belvoir, and Battle Creek)	Director, DLA Contracting Services Office
	DLA Disposition Services	Director, Acquisition Directorate
	DLA Distribution	Chief, Contracting Division
	DLA Strategic Materials	Director of Contracting
	DLA Document Services	Director, Contracting
	Defense Media Activity (DMA), including DMA Riverside Contracting Office and DMA Fort Meade Contracting Office	Director, Acquisition and Procurement
	Joint Contingency Acquisition Support Office	Chief, Contingency Contracting Office

"*Integrated Acquisition Review Board (IARB)*" means an oversight group that conducts a review at key decision points after the contracting approach has been approved by the ASRP. The IARB has the authority to continue the acquisition, modify the strategy, terminate the process, or determine how next phases should proceed. The HCA is the chairman and clearance authority. Board members shall include the following: DLA Acquisition Director, DLA Logistics Operations Director, DLA Information Operations Director, DLA Comptroller, HCA and/or Director or Commander of contracting office; Technical, Program, or Service Manager of procuring organization; and Military Service Program or Technical Manager. Board advisors shall include the following: DLA General Counsel; DLA Small Business Programs Director; DLA Competition Advocate (COMPAD); DLA Center of Excellence for Pricing (COEP); DLA Acquisition Division Chiefs or Deputy Chiefs; DLA Acquisition Peer Review Manager; procuring organization Office of Counsel, COMPAD, and price analyst(s); and, for acquisition of services, the SSM and Component Level Lead (CLL) and Portfolio Manager.

"*Procuring Organizations*" means all DLA activities with contracting authority, and includes both contracting activities and contracting offices.

"*Strategic contracts (STRATCON")* means those acquisitions that represent the highest risk and impact to mission criticality, warfighter operational support, financial investment, and stewardship responsibilities. Strategic contracts may include, but are not limited to, the following:

(1) Acquisitions subject to DoD Peer Review thresholds;

(2) Prime Vendor/Tailored Logistics Support;

(3) Performance-Based Logistics;

(4) Implementation of Captains of Industry recommendations and/or initiatives;

(5) Bridge contracts for existing Strategic Contracts;

(6) OCONUS acquisitions critical to current contingencies or major military operations;

(7) Acquisitions as identified by the DLA Director, DLA Vice Director, SPE, or SSM, including Strategic Partnerships with other Agencies, Undefinitized Contract Actions (UCA), and/or specified corporate contracts; and

(8) Acquisitions where there is known special or significant interest by members of Congress, the White House, media, Government Accountability Office, DoD Inspector General Office, Office of the

Under Secretary of Defense for Acquisition, Technology and Logistics or its subordinate organizations, other Office of the Secretary of Defense organizations, or a high potential to attract such interest.

"*Tailored Logistics Support (TLS) Contract*" means an acquisition that targets support to the point of the customer's need, and supports the full range of logistics functions, including shipping, receiving, storage, inventory management, and transportation or traffic visibility, to achieve a solution for a customer.

PART 3 – IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

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Disclosure of prices during a reverse auction conducted by the Government, in which each offeror consents to public disclosure of its prices, including to other offerors, does not constitute a disclosure.

3.104 Procurement integrity.

3.104-1 Definitions.

Designated agency ethics official. The designated agency ethics official is the General Counsel. The contracting activity ethics official is the Chief Counsel. The contracting office ethics official is designated Counsel.
The Ombudsman for Procurement Integrity. he Acquisition Executive, DLA Acquisition is the designated Ombudsman for Procurement Integrity.

3.104-3 Statutory and related prohibitions, restrictions, and requirements.

In accordance with 41 U.S.C. 2107(1), offerors participating in a particular DLA reverse auction and their designated employees, and commercial auction providers and their designated employees are authorized to disclose and obtain the prices submitted by all offerors participating in that reverse auction.

3.104-4 Statutory and related prohibitions, restrictions, and requirements.

Oversight officials are authorized access to contractor bid or proposal information or source selection information to the extent necessary to perform their official duties.

3.104-7 Violations or possible violations.

(a)(1) Office of Counsel is the designee.
(b) The determination shall be coordinated with the Office of Counsel.
(f) The determination shall be coordinated with the Office of Counsel. Notification shall be provided to the DLA Acquisition Director.

SUBPART 3.2 - CONTRACTOR GRATUITIES TO GOVERNMENT PERSONNEL

3.203 Reporting suspected violations of the FAR Gratuities clause.
(a) Report suspected violation to the CCO and Office of Counsel.
(b) If the CCO reports a finding, refer the matter to the HCA.

3.204 Treatment of violations.
(a) The HCA is the designee.
(b) If the contractor requests a hearing, the HCA will conduct a hearing in coordination with designated counsel. Information submitted by the contractor during the hearing will be considered in reaching a final decision. If the contractor elects not to have a hearing but submits information, that information will be considered in reaching a final decision.

SUBPART 3.3 – REPORTS OF SUSPECTED ANTITRUST VIOLATIONS

3.301 General.
(b) Report suspected antitrust violations to the Office of Counsel.

SUBPART 3.7 – VOIDING AND RESCINDING CONTRACTS

3.705 Procedures.
(a) Reporting. The General Counsel is the designee.

SUBPART 3.8 – LIMITATION ON THE PAYMENT OF FUNDS TO INFLUENCE FEDERAL TRANSACTIONS

3.806 Processing suspected violations.
Suspected violations shall be referred to Office of Counsel.

SUBPART 3.9 – WHISTLEBLOWER PROTECTIONS FOR CONTRACTOR EMPLOYEES

3.903 Policy.
(5) Complaint shall be forwarded to Office of Counsel.

PART 4 – ADMINISTRATIVE MATTERS

(Revised September 19, 2016 through PROCLTR 2016-09)

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SUBPART 4.2 – CONTRACT DISTRIBUTION

4.270 Electronic Document Access.

4.270-2 Procedures.
(a)(2) Contracting officers will accept or reject contract deficiency reports (CDRs) in EDA within 10 days of submission, and resolve the CDR within 30 days of submission. The DLA Acquisition Operations Division is responsible to track and report performance on a monthly basis to the SPE. Procuring organizations shall track and report monthly to the HCA.

SUBPART 4.5 – ELECTRONIC COMMERCE IN CONTRACTING

4.502 Policy.
(b) The DLA Internet Bid Board System (DIBBS) https://www.dibbs.bsm.dla.mil is the DLA supplier-facing portal utilized to:
(i) Post solicitations, solicitation amendments, awards, and award modifications
(ii) Facilitate submission of quotations by suppliers in response to request for quotations
(ii) Enable upload of offers in response to request for proposals
(iii) Convey important messages to the supplier community
(iv) Transmit notices of proposed contract actions and awards to the GPE/FedBizOpps.

DIBBS solicitations for purchase orders and contracts (except indefinite delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts) shall include procurement note L01.
*****
L01 Electronic Award Transmission (SEP 2016)
Notice of awards are provided to suppliers by either:
(1) Electronic email containing a link to the electronic copy of the Department of Defense (DD) Form 1155, Order for Supplies or Services, on the DIBBS; or
(2) Electronic Data Interchange (EDI) 850 utilizing American National Standards Institute (ANSI) X12 Standards through a DLA transaction services approved value added network (VAN).
Information regarding EDI, ANSI X12 transactions and DLA transaction services approved Value Added Networks (VANs) can be obtained at https://www.transactionservices.dla.mil/daashome/edi-vanlist-dla.asp.
Questions concerning electronic ordering should be directed to the appropriate procuring organization point of contact below:
DLA Land and Maritime, Helpdesk.EBS.L&M.LTCs@dla.mil
DLA Troop Support, dlaedigroup@dla.mil
DLA Aviation, avnprocsysproceddiv@dla.mil, phone # 804-279-4026
*****
DIBBS solicitations for indefinite-delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts shall include procurement note L02.
*****
L02 Electronic Order Transmission (SEP 2016)
Offerors shall identify one of the following alternatives for paperless order transmission:
( ) American National Standards Institute (ANSI) X12 Standards through a DLA transaction services approved value added network (VAN).
( ) Electronic mail (email) award notifications containing web links to electronic copies of the Department of Defense (DD) Form 1155, Order for Supplies or Services.
Email notification requires registration on the DLA Internet Bid Board System (DIBBS) home page at https://www.dibbs.bsm.dla.mil/ .
If the offeror elects ANSI/VAN order transmission, DLA will send Electronic Data Interchange (EDI) transaction sets at time of award.The contractor shall acknowledge receipt of transaction sets with a functional acknowledgement or order receipt message within 24 hours. If the award transaction set is received on a weekend or Federal holiday, the acknowledgement must be received on the next working day. This acknowledgement will confirm that the contractor's interface with the system is working as needed for contract ordering.
Note: Information regarding EDI, ANSI X12 transactions, and DLA transaction services approved VANs can be obtained from the DAAS web site by going to https://www.transactionservices.dla.mil/daashome/edi-vanlist-dla.asp.
Questions concerning electronic ordering should be directed to the appropriate procuring organization point of contact below:
DLA Land and Maritime, Helpdesk.EBS.L&M.LTCs@dla.mil
DLA Troop Support, dlaedigroup@dla.mil
DLA Aviation, avnprocsysproceddiv@dla.mil, phone # 804-279-4026
*****

SUBPART 4.7 - CONTRACTOR RECORDS RETENTION

4.703 Policy.

(a) Contractors other than manufacturers shall make available documents that demonstrate the item conforms to the technical requirements and is from the actual manufacturer. Solicitations and awards shall include procurement note C03.

*****

C03 Contractor Retention of Supply Chain Traceability Documentation (SEP 2016)

(1) By submitting a quotation or offer, the contractor agrees that, when the contractor is not the manufacturer of the item, it is confirming that it currently has or will obtain before delivery and shall retain documented evidence (supply chain traceability documentation) that the item is from the approved manufacturer and conforms to the technical requirements. The retention period is five years after final payment under this contract.

(2) At a minimum, the supply chain traceability documentation for the item shall include: basic item description, part number and/or national stock number, manufacturing source, manufacturing source's Commercial and Government Entity (CAGE) code, and clear identification of the name and location of all supply chain intermediaries between the manufacturer to the contractor to item(s) acceptance by the Government. The documentation should also include, where available, the manufacturer's batch identification for the item(s), such as date codes, lot codes, or serial numbers.

(3) Examples of acceptable supply chain traceability documentation can be found at: http://www.dla.mil/LandandMaritime/Business/Selling/Counterfeit-Detection-Avoidance-Program/

(4) The contractor shall immediately make available documentation upon request of the contracting officer. The contracting officer determines the acceptability and sufficiency of documentation. If the contractor fails to retain or provide the documentation or the contracting officer finds the documentation to be unacceptable, corrective action may be taken including, but not limited to, cancellation of undelivered orders or rejection of delivered supplies.

*****

SUBPART 4.8 – GOVERNMENT CONTRACT FILES

4.802 Contract files.

(f) All contract files shall be maintained in electronic format in an electronic contract file in accordance with the DFARS 204.8. DLR sites shall follow the processes and systems at the Military Services sites.

4.804 Closeout of contract files.

Contracting officers shall follow the FAR standard timeframe for closeout. Contracting officers shall assess the validity of their unliquidated obligations (ULOs) that are 120 calendar days or more past the contract delivery date and document the results by following the Process Cycle Memorandum (PCM), P_P2P_1_eProcurement Contract Award to Closeout. Resolution of ULOs is required upon physical completion with the exception of any contract in litigation, termination, or contractor bankruptcy.

4.805 Storage, handling, and contract files.

Contracting officers shall follow the Procurement Job Aid for storage and retrieval of electronic documents.

SUBPART 4.13 – PERSONAL IDENTITY VERIFICATION

4.1302 Acquisition of approved products and services for personal identity verification.

(c) DLA Information Operations is responsible for determining compliance.

4.1303 Contract clause.

4.1303-90 Contract clause – personal identity verification of contractor personnel.
The contracting officer shall insert clause 52.204-9000 in solicitations and contracts that contain FAR 52.204-9, Personal Identity Verification of Contractor Personnel, when contract performance requires contractor access to a Federally controlled facility and/or access to a Federally controlled information system. Contractors requiring intermittent access for a period of less than six months shall obtain approval from the installation security office through the contracting officer.

When the contractor employee(s) is/are required to obtain a Common Access Card (CAC) and DLA will serve as the Trusted Agent, follow the procedures in the Contractor Common Access Card (CAC) Issuance and Accountability Process for DLA Contracts, found at https://eworkplace.dla.mil/sites/S18/Pages/SOP.aspx.

For all contracts where contractor CACs and/or Installation Access Badges will be issued, contracting officers shall ensure that responsibilities for oversight and retrieval of contractor CACs and Installation Access Badges are addressed in the COR designation letter. If a COR is not designated, the contracting officer is responsible for oversight and retrieval of contractor CACs and Installation Access Badges issued under the contract.

If contract performance is to occur at a non-DLA site and the site has physical site and/or information technology security requirements, in addition to the DLA CAC requirements, the contracting officer shall identify those requirements and include them in the solicitation and subsequent contract.

SUBPART 4.16 – UNIQUE PROCUREMENT INSTRUMENT IDENTIFIERS

4.1601 Policy.
(a) This process, for Business Process Analyst use only, is located in the Procurement Job Aid applicable to PIIN maintenance in EP and ECC:
Supplier Relationship Management (SRM)/EProcurement:
Table Maintenance: Maintaining PIIN Tables
Table Maintenance: Maintaining Basic Agreement PIIN/SPIIN Tables

Enterprise Core Component (ECC):
Table Maintenance: PIIN and Call Number Table Maintenance and Associated Error Workflow Tables

SUBPART 4.73—SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

4.7303-1 General.
The requiring activity for DLA managed items varies, but generally will be the organization or activity submitting the requirement.

4.7303-2 Safeguarding controls and requirements.
Provide a copy of the submission to J6 Cybersecurity for DLA managed items. DLR contracting officers provide a copy of the submission to the Military Service CIO.

4.7303-3 Cyber incident and compromise reporting.
(a)(1) The contracting officer shall also send the incident report for DLA managed items via encrypted e-mail to DLACyberIncidentReport@dla.smil.mil and copy their supervisor, and DLR contracting officers shall also send a copy of the incident report to the Military Service CIO. The contract file shall be

documented accordingly.

(a)(3)(i) Consultation and assessment will be performed for DLA managed items by the J6 Cybersecurity and DLA Intelligence Office. Include the requiring activity for DLA managed items.

(c) Email requests for DLA managed items encrypted to the contractors and DLACyberIncidentReport@dla.smil.mil.

4.7303-4 DoD damage assessment activities.

Email correspondence for DLA managed items encrypted to DLACyberIncidentReport@dla.smil.mil.

PART 5 – PUBLICIZING CONTRACT ACTIONS

(Revised July 26, 2016 through PROCLTR 2016-08)

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5.404-1 Release procedures.

SUBPART 5.1 – DISSEMINATION OF INFORMATION

5.101 Methods of disseminating information.
(a) The synopsizing and public display requirements at FAR 5.101(a)(2) are satisfied when the solicitation is posted on DIBBS.

SUBPART 5.2 – SYNOPSES OF PROPOSED CONTRACT ACTIONS

5.201 General.
(b)(2) Notice is satisfied when the solicitation is posted on DIBBS.

5.202 Exceptions
(a)(13) Proposed contract actions exceeding $25,000 but not expected to exceed $150,000 posted on DIBBS meet this exception when the solicitations contain:

(i) NSNs/Materials that are numeric or begin with letters “G,” “M,” “S,” or “L.”

(ii) A PIIN/PIID with the 9th position equal to “Q,” “T,” or “U.”

(iii) Delivery terms expressed in a number of days after date of award (ADO) for all proposed contract lines.

(iv) Incoterms that are the same for all proposed contract lines.

SUBPART 5.3 – SYNOPSES OF CONTRACT AWARDS

5.301 General.
(a)(1) Synopsis through the GPE/FedBizOpps is accomplished in EBS automatically for all awards posted on DIBBS.

5.303 Announcement of contract awards.
(a) Public announcement. Submit the required information via email in paragraph form to the DLA Public Affairs Office at DLAContractAwards@dla.mil two full work days prior to the date of award. Failure to submit the information timely requires a revision to the proposed award date.

SUBPART 5.4 – RELEASE OF INFORMATION

5.404 Release of long-range acquisition estimates.

5.404-1 Release procedures.
(a) The HCA is the designee.

PART 6 – COMPETITION REQUIREMENTS

(Revised October 24, 2016 through PROCLTR 2016-10)

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SUBPART 6.2 – FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES

6.202 Establishing or maintaining alternative sources.
(b)(1) By memorandum dated July 30, 2015, the DLA Acquisition Director has delegated approval and signature authority to the HCAs for the determination and findings required to exclude a source under FAR 6.202(b)(1) for procurements within their contracting activity. This authority may not be further delegated.

SUBPART 6.3 – OTHER THAN FULL AND OPEN COMPETITION

6.303 Justifications.

6.303-2 Content.
For AMSC A or H coded items, follow the annual screening and review requirements in DFARS 217.7506. J&As will state that AMSC A and/or H coded items will not be placed on contract (or will be removed from contract, as applicable) if the annual screening and review does not result in assignment of a permanent AMSC code within one year of the date the J&A is approved.

6.305 Availability of the justification.

6.305-90 Oversight program.
The oversight required by Defense Procurement Acquisition Policy in response to GAO report GAO-14-304, “Federal Contracting: Noncompetitive Contracts Based on Urgency Need Additional Oversight” dated March 26, 2014, is:
(a) HCAs shall monitor FPDS-NG data monthly for compliance with justification and approval (J&A) signature requirements and posting timelines for awards using the unusual and compelling urgency exception. The FPDS-NG data elements Extent Competed and Reason Not Competed and the FPDS code URG will be used in reporting.
(b) HCAs shall compile a quarterly report of the results of the monthly data collected as required in 6.305-90(a). Reports shall be submitted to the DLA Acquisition Policy Division by the 5th working day after the end of the quarter. The report must include the following information:

(1) FPDS-NG data elements: Solicitation number, contract number, original contract award dollar value (excluding options), award date, modification number, modification's dollar value increase, and award date;

(2) Period of performance/estimated completion date; J&A approval authority's name, title, and signature date; and J&A posting date.

(3) Identification of all contract actions not in compliance with required J&A approval levels and posting timeframes and corrective action.

(c) The DLA Acquisition Policy Division will prepare an enterprise summary for the DLA Acquisition Director by the 10th working day after the end of the quarter.

SUBPART 6.5 –ADVOCATES FOR COMPETITION

6.501 Requirement.

(1) The DLA Acquisition Executive is the Agency Competition Advocate.

(2) The HCAs shall appoint competition advocates and alternates.

6.503 Annual reporting requirements.

(b)(2) Procuring organization competition advocates shall submit their annual competition report to the DLA Acquisition Policy Division by 15 November each year.

PART 7 – ACQUISITION PLANNING

(Revised November 3, 2014 through PROCLTR 2015-04)

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SUBPART 7.1 – ACQUISITION PLANS

(Revised November 3, 2014 through PROCLTR 2015-04)

7.102-90 Policy.

(a) With the following exceptions, written acquisition plans are required for all acquisitions expected to exceed the Simplified Acquisition Threshold (SAT), including those accomplished by means of direct or assisted acquisitions using non-DoD contract vehicles such as Federal Supply Schedules. Actions exempt from this requirement are:

(1) Individual orders (except orders greater than the SAT against non-DoD contracts) against contracts when the contract-level acquisition plan is adequate to cover all anticipated orders and the order is issued in strict compliance with the terms of the basic contract.

(2) A modification of the contract.

(3) Acquisition of replenishment parts, below DFARS 207.103 thresholds.

(b) Acquisition Plans shall be completed and approved prior to solicitation issuance. The following table depicts approval levels of acquisition plans for supplies and services:

< $10M – Contracting Officer
=/>$10M but < $50M – One level above the Contracting Officer
=/>$50M but < $1B – Chief of the Contracting Office
=/>$1B - HCA

(c) If the commerciality determination is documented in the acquisition plan and the acquisition is valued greater than $1M, the plan must be reviewed and approved at one level above the contracting officer.

(d) Acquisitions for supplies and services procured under FAR 13.5 shall use the Commercial Item Pre-Solicitation Documentation Memorandum for Record as documentation of the acquisition plan (see DLAD 13.500(S-91).

(e) The level of detail provided in the acquisition plan should be commensurate with the complexity and dollar value of the acquisition.

(1) For acquisitions with a dollar value above the SAT up to $10 million, contracting officers shall prepare a Streamlined Acquisition Plan (SAP) (see Part 53 for template that can be tailored for individual PLFA usage). At the discretion of the contracting officer, an acquisition plan prepared in accordance with FAR 7.105 and DFARS 207.105 may be used for those actions where it would be more appropriate.

(2) For acquisitions above $10 million and subject to an ASRP or IARB, the contracting officer shall prepare an acquisition plan in accordance with FAR 7.105 and DFARS 207.105. However, for all other acquisitions above $10 million, the contracting officer may prepare a SAP (see Part 53 for template that can be tailored for individual PLFA usage). At the discretion of the contracting officer, an acquisition plan, prepared in accordance with FAR 7.105 and DFARS 207.105, may be used for those actions where it would be more appropriate.

(3) Every acquisition plan for a services acquisition over $10 million that is not subject to ASRP or IARB review must include a request for coordination from the applicable services portfolio manager prior to final approval of the acquisition plan.

(i) Coordination may be concurrent with other coordinations/approvals, as long as the applicable portfolio manager is notified of any major change to the acquisition plan.

(ii) Portfolio managers shall have 3 business days to provide formal comment. Any comments received from the portfolio manager within the 3 business days should be considered and addressed in an MFR for the file and shared with the portfolio manager prior to solicitation issuance.

(A) Approval prior to solicitation issuance can be waived per PLFA guidance for urgent requirements.

(iii) Acquisition plans for awarded contracts for services valued between $1M and less than $10M shall be provided to the DLA Services Program Manager and/or applicable portfolio manager upon his/her review of FPDS-NG and subsequent request.

(4) If a DLA activity or functional unit that does not have contracting authority in its own right (e.g., a J-code activity) intends to acquire support through use of a non-DoD contracting vehicle on either a direct- or assisted-acquisition basis, that activity must contact the DLA contracting office that generally provides its contracting support, and request that contracting office to implement the appropriate review and approval procedures.

(5) Every program office that expends funds in its own right (that is, without requesting that its requirements be placed on contract by the local activity's or PLFA's contracting office) must involve DLA contracting personnel in the review and approval process for the proposed acquisition.

(6) Contracting offices that exercise this function on behalf of others must ensure that their supported activities are provided an explanation of this policy, and they must receive assurance from each such supported activity that the latter will not expend funds for contract support (including funds provided via military interdepartmental purchase request (MIPR)) without the express involvement of a DLA contracting office, at levels in accordance with the review and approval guidelines set forth in 1.690-3.

(7) The acquisition plan shall accompany justifications for other than full and open competition (see FAR 6.301, 6.304, and DLAD 6.304) when forwarded to the activity competition advocate. The activity competition advocate shall also be provided a copy of the acquisition plan for acquisitions where there is no history of receipt of more than one offer and price competition is not expected to be received on the acquisition.

7.103 Agency-head responsibilities.

(a) Requirements for contract actions, which must be awarded by the end of the fiscal year, must be submitted to the contracting office by 31 July of that fiscal year. Solicitations for requirements received after 31 July shall not be issued unless approved by the chief of the contracting office.

(b) A contract action log shall be maintained by the contracting office for all purchases of contracted advisory and assistance services, periodicals, pamphlets, and audiovisual products. Existing logs may be

used for this purpose, provided some means is devised to readily identify these types of contract actions that are highly vulnerable to waste.

(c) Written acquisition plans required by 7.102-90 may be affected on a system basis using a comprehensive plan for a specified period of time (i.e., quarterly, semi-annually or annually).

7.104-90 General procedures.

(a)(1) The Defense Production Act (DPA) and the Defense Planning Guidance (DPG) require DoD to maintain an adequate production base to promote national security. In this regard, industrial preparedness actions are taken to ensure that the industrial base is adequate to offset war reserves shortfalls and provide combat support in emergencies.

(i) When an item is being considered as an item of supply from a new source, an industrial capabilities assessment for the item should be accomplished or updated. This assessment is especially important when the item will be supplied by a single source, as well as when it is a critical item with a war reserve shortfall, a critical item that has experienced high demand in previous contingencies, a military unique item, or a weapon system item coded essentiality codes 1, and 5, or 7. For these types of items, adequate capacity is necessary to meet surge and sustainment (S&S) requirements.

(ii) Assessment of newly sourced items is not required if previous analysis on capacity to do an entire family of items (that newly sourced items belong to) shows the new source already has sufficient equipment, facilities, personnel, and materials to meet S&S requirements for the newly sourced items.

(b)(2)(i) Measures to ensure S&S requirements (i.e., items, quantities, and delivery terms) are defined, S&S capability is developed, and S&S capability can be tested (as required in 17.9303)) must be undertaken for all new business arrangements (e.g., prime vendor, virtual prime vendor, corporate contracts, etc.) and long-term contracts. These measures are especially crucial when the new support method will eliminate or reduce DLA inventories.

(ii) Acquisition plans for these new arrangements and LTCs must address S&S requirements, capability, and testing. If surge and/or sustainment requirements are not included in the solicitation (e.g., they do not exist, they are covered under other contractual arrangements, they are covered via sufficient peacetime assets, etc.), state this in the acquisition plan and explain the basis for not including them.

7.105-90 Additional requirements for tailored logistics support contracts.

(a) Written acquisition plans for tailored logistic support contracts (see 17.95) shall also address the following:

(1) A discussion of the factors that indicate a tailored logistics support contract arrangement is the best acquisition strategy. Discussion should include the type and variety of incidental services included and why the proposed supply arrangement will provide the best support for the customer.

(2) A description of surge and sustainment requirements, capability, and testing;

(3) A description of how this acquisition will maximize opportunities for small business programs;

(4) A description of how the contractor will periodically assess and monitor its suppliers' compliance with domestic sourcing requirements (e.g. Berry Amendment), and a description of how DLA will monitor the contractor's compliance in this area;

(5) A description of the market basket approach being taken, such as number of items, dollar value, etc;

(6) A discussion of any system impacts, changes, and approvals needed before implementation of the initiative. Discuss how these are consonant with DLA system architecture and other agency system architectures;

(7) A discussion of post award pricing procedures.

(b)(19)(S-90) Contract management plan.

A contract management plan (CMP) describes how performance shall be monitored over the life of the contract. The CMP addresses the resources assigned to conduct and sustain contract monitoring procedures. The CMP makes it clear who is responsible for performing which functions, when, and at what intervals. The CMP shall be approved as part of the acquisition approval process prior to award of the contract. Examples of CMPs can be found in eWorkplace under the following path: Organizations, Troop Support, Shared Documents, Procurement Process Support, Contract Management Plans (CMP).

(i) CMPs are required for all tailored logistic support contracts (see 17.95), contracts that provide for performance based adjustments (such as incentives and disincentives), and long term contracts that contain provisions for repricing during the contract term as described in 15.403-4(a)(1)(i)(S-91)(D).

(ii) Each CMP shall be tailored to address the specific acquisition. At a minimum, the CMP should address resources required, responsibilities of each resource, assignment of a COR/COTR, order flow, post-award audits describing what shall be reviewed, when, and by whom, invoicing procedures, performance measurement metrics, incidental services required as part of the contract, assignment of contract administration responsibilities for orders, contracts, and subcontracting plans, options, post-award conferences, domestic preference provisions, special contract administration concerns, repricing actions such as economic price adjustments, responsibilities for monitoring contract performance, and contract closeout.

(iii) The CMP shall be updated in a timely manner when there is a change in the resources, functions, metrics, and methods of contract management. Updates to the CMP following contract award shall be approved at the same level as the original contract action, except that the CCO retains authority to approve CMP changes for any actions where the contract action approval authority was at a level higher than the CCO. The CCO may delegate authority to approve CMP changes to a lower level.

(iv) The approved CMP shall be included in the contract file.

7.107 Additional requirements for acquisitions involving bundling.

(S-90) For an acquisition requiring USD(AT&L)'s permission to proceed with the bundled requirement, the contracting officer shall submit the request for approval of the determination and finding to J72; it will be routed through Director, DLA Acquisition (J7), J3, DLA Small Business Programs and DLA General Counsel, and the Director, DLA, who will sign out the request to OSD. There are no timeframes in the statute or FAR for use of this procedure, but it is essential that justifications be submitted at the earliest possible date. Therefore, the contracting officer shall forward the request within 30 days of determining that the proposed acquisition will not generate savings in accordance with established levels, as set forth in FAR 7.107(b) (that is, within 30 days of performing a bundling analysis).

(S-91)(1) If a bundling analysis has already been performed on a contract action, it is not necessary to perform a new bundling analysis before exercising an option.

(2) For new acquisitions, procurement history should be analyzed from the three immediately preceding years to determine whether there have previously been separate, smaller contracts for these requirements that were or could have been performed by small businesses.

(3) For any contract containing an "add/delete" clause, the contracting officer shall perform a bundling analysis before adding individual/groups of items via clause exercise, if the change modifies the contract and constitutes a new requirement. On the other hand, if the add/delete clause is merely a mechanism by which items, always intended to be part of the acquisition and included in the initial analysis, are "phased in" (for pricing and other purposes), then the additions do not constitute a new requirement, and a new bundling analysis is not required.

(S-92) The SBA can appeal to the head of a contracting agency certain decisions made by the agency that SBA believes will adversely affect small businesses.

(1) One such appealable decision pertains to any bundling of contract requirements the SBA considers to be unnecessary or insufficiently justified. Whenever a proposed aggregation of requirements,

at least some of which were formerly filled by small businesses, is likely to render the resultant contract unsuitable for award to a small business concern, the SBA may challenge that solicitation.

7.170 Consolidation of contract requirements.

7.170-2 Definitions.

(a) As used in DFARS 207.170-2 to describe the aggregation of two or more requirements into a solicitation to obtain offers for a single contract or a multiple award contract, the term "previously provided" refers to the current or most recent awards for the requirements' fulfillment, rather than to a "look back" for an indefinite number of years or for their entire acquisition history.

(b) If requirements are currently being solicited under a single solicitation that will result in multiple contracts not subject to FAR 16.5, and the immediately preceding contracts for the same requirements were also awarded under multiple contracts resulting from a single solicitation not subject to FAR 16.5, then these requirements are not consolidations. However, the inclusion or exclusion of the words, "all or none," in a solicitation for requirements that would otherwise be considered a consolidation does not have a bearing on whether or not the solicitation is, in fact, consolidated. If, at the time of acquisition planning, currently separate requirements are aggregated into a single solicitation with the possibility of their being awarded as a single or multiple award in accordance with the definition at DFARS 207.170-2, the acquisition is considered a consolidation, whether or not a different award determination is made upon receipt of offers.

(c) As with bundling, "substantial" benefits of consolidation are those that are essential, ample, and demonstratable. They should, but unlike bundling, need not absolutely be quantified.

7.170-3 Policy and procedures.

(a)(3) HCAs at DLA Aviation, DLA Land and Maritime, DLA Troop Support, and DLA Energy are authorized to execute determinations that a consolidation is necessary and justified for procurements valued up to $100 million, and CCOs are authorized to execute such determinations for procurements valued up to $10 million. This authority will not be further delegated.

SUBPART 7.2 – PLANNING FOR THE PURCHASE OF SUPPLIES IN ECONOMIC QUANTITIES

7.202 Policy.

(b) For solicitations for IDCs and other long-term contracts covering voluminous items for which response by the offeror to the clause at FAR 52.207-4 is not practicable, see 7.203-90.

7.203-90 Solicitation provisions and contract clauses.

(a) The FAR provision shall be tailored, to obtain volume discounts, market basket discounts and/or separate prices at the offeror's price break quantities, across the range of potential order quantities, under IDC and other long-term contracts where response to the standard FAR provision is impracticable.

SUBPART 7.3 – CONTRACTOR VERSUS GOVERNMENT PERFORMANCE

7.304 Procedures.

(a) Where the DLA Acquisition Deputy Director (J7) is the HCA (see 2.101), solicitations in which a comparison will be made between contractor and Government performance in accordance with OMB Circular A-76 shall be forwarded to DLA HQ, attention: J71 for review and approval prior to release.

(S-90) With respect to requests for information related to commercial activities cost studies, the contracting officer (or other authorized individual) must consider the guidelines contained in Title 32: National Defense Part 1285 – Defense Logistics Agency Freedom of Information Act Program and promptly determine if such information should be withheld or released. Requests shall not be required to be submitted under the Freedom of Information Act (FOIA) in order to be considered. If the information is to be withheld, the requestor shall be notified immediately of the decision to withhold the information and of the right to submit a written request for the information under FOIA, if the request was not submitted under FOIA initially. Requests for information may be an indication that the solicitation contains defects or ambiguities, or that the CA solicitation process would be improved by dissemination of the information to all prospective offerors. Therefore, as a part of the disposition of each request, the contracting officer shall consider the need to issue an amendment to the solicitation.

PART 8 – REQUIRED SOURCES OF SUPPLIES AND SERVICES

(Revised June 15, 2015 through PROCLTR 2015-09)

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SUBPART 8.4 – FEDERAL SUPPLY SCHEDULES

8.400-90 DoD electronic mall (EMALL).

(a) General. The DoD EMALL site can be accessed at https://dod-emall.dla.mil/acct/. DoD contractors may also be authorized to order on DoD EMALL pursuant to FAR Subpart 51.1. For Government Purchase Cardholders (GPCHs), see 13.301(S-91).

(b) Policy. Only DLA, military service, or GSA assigned/managed items shall be available for ordering on DoD EMALL. “Open market” catalogs, which are catalogs of products not under contract with DLA, a military service, or GSA, are not permitted on DoD EMALL. The DoD EMALL ordering system will inform all contracting officers that it is their responsibility to comply with applicable contracting regulations before making DoD EMALL purchases. The DoD EMALL ordering systems will, to the extent practical, automatically enforce applicable ordering rules, such as competition requirements.

(c) Responsibilities.

(1) The Office of the Secretary of Defense (AT&L/Defense Procurement and Acquisition Policy) is the DoD Executive Agent for DoD EMALL, responsible for issuing overarching DoD EMALL policy, and DLA has responsibility for DoD EMALL operations.

(2) DLA’s responsibility for DoD EMALL operations is divided as follows: DLA Logistics Information Service, DLIS DoD EMALL Office, which serves as the Center of Excellence (CEO) for all

contracting of non-NSN items in support of DoD EMALL; DLA Acquisition J71, for contracting policy; DLA Finance J8, for program funding; and DLA Information Operations J6, for IA/IT architecture.

(3) The DOD EMALL Office will receive contracting authority from and be subject to the contracting oversight of DLA Disposition Services.

(d) Contracting.

(1) The DoD EMALL Office is responsible for DLA contracts that will be specifically awarded for placement on DoD EMALL and shall comply with the following:

(i) Establish contracts only for DLA-assigned and/or managed items and shall use the delegation of authority from GSA to establish Federal supply schedule (FSS) type contracts to the maximum extent practicable. (Refer to Appendix 7 of DoD 4140.1-R DOD Supply Chain Material Management Regulation.) The schedule groupings will be based on product type and other relevant considerations;

(ii) Consider applicable guidance and clauses in the GSA Acquisition Manual (GSAM) and GSA contracting practices in establishing FSS type contracts, although use of specific GSA clauses, procedures, and practices is discretionary, and these should be used only if found to be in the best interest of the Government. When establishing FSS-type contracts, comply with FAR Part 38;

(iii) Concur with DLIS rules of governance to which contractors will be held and include a requirement in DoD EMALL contracts stating that contractors must comply; and

(iv) Before a contract may be removed from DoD EMALL, the DoD EMALL contracting office must have determined that a termination of the contract is appropriate and initiated termination of the contract.

(2) Qualified product list and critical safety items shall not be included in DoD EMALL contracts. Other types of items, such as body armor, may be prohibited from placement on DoD EMALL contracts.

(i) The DoD EMALL Office will perform a preliminary review of catalogs to ensure part numbered items are cross-referenced to NSNs. Similar reviews will be performed periodically after a contract has been established and throughout the life of the contract.

(ii) DLA managed stocked NSNs should not be included on a DoD EMALL contract, unless that contract is placed within a unique ordering corridor available only to DLA personnel. The DoD EMALL Office, in coordination with DLA Acquisition J71, will develop lists of such prohibited items and enforce that list.

(iii) Contracts awarded for purposes other than placement on DoD EMALL may be made available for ordering through DoD EMALL, and the item restrictions in this paragraph are not applicable to orders placed through DoD EMALL against these non-DoD EMALL contracts.

(3) Each contracting activity or office shall review and approve their respective items for inclusion on DoD EMALL contracts. The contracting activity or office may delegate in writing to the DoD EMALL Office for contracting the authority to include their respective items unless instructed otherwise by that contracting activity or office. Additionally, each contracting activity or office shall designate a DoD EMALL point of contact to the DoD EMALL Office for contracting for processing reviews and approvals and to serve as a conduit for working issues related to the DoD EMALL program.

(4) A valid price analysis technique shall be used to determine price reasonableness of DoD EMALL contracts in accordance with FAR Subpart 15.4. Price analysis is required because DoD EMALL contracts are not directly competed on a price basis before being added to DoD EMALL.

(e) Ordering. Ordering against DoD EMALL contracts is subject to FAR and DFARS Subpart 8.4. Orders against non-DoD EMALL contracts available for ordering on DoD EMALL are subject to the ordering requirements applicable to the particular contract.

8.406-4 Termination for cause.

(e)(S-90) Reporting. In accordance with FAR 8.406-4(e), report termination information in Federal Awardee Performance and Integrity Information System (FAPIIS) (see 49.402-8(S-90)(a)).

SUBPART 8.6 – ACQUISITION FROM FEDERAL PRISON INDUSTRIES, INC.

(Revised June 15, 2015 through PROCLTR 2015-09)

8.600-90 Definitions.

"Current market price (CMP)," as used in this subpart, means the actual current price for purchase of the item in the competitive market place in the quantities normally bought and sold and at customary terms and conditions. If actual sales prices are unavailable or nonexistent, the CMP means a price which is estimated in a similar manner as prescribed in FAR 19.807(b) and (c) (but see guidance on valid price comparisons in FAR 15.404-1(b)(2)(ii)(A)-(C)).

"Unrestricted," as used in this subpart, refers to the portion of the acquisition not purchased from FPI, whether or not a set-aside has been made. (See Part 19).

8.602 Policy.

(a) In other than automated acquisitions, the contracting officer shall document in writing the basis for the comparability determination, to include the significance of each factor under the circumstances of the acquisition. The comparability determination must be retained in the contract file.

(1)(S-90) Use the provision at 52.208-9001 for acquisitions valued below the simplified acquisition threshold that involve items listed on the FPI Schedule when the solicitation will also serve as a market research tool. FPI will receive an order if its items are found comparable to items from private sources.

(2)(S-90) Competitive buys are subject to set-aside requirements, except that FPI will be solicited and permitted to compete, and could still receive the award, in acquisitions of these items that are otherwise set aside for small business participation. Small business concerns must be notified of this possibility when set-asides are used under these circumstances.

8.604-90 Ordering procedures.

(a) Awards to FPI shall be on a free on board (f.o.b.) origin basis unless otherwise specified.

(b) Prices for FPI contracts shall be rounded off to the nearest four decimal places.

(c) When a contract action involves allotment to FPI of the entire quantity of the required item and current market quotations are not available, prior contract prices (adjusted to reflect changes in market prices of components since the last contract and differences in any other cost factors, e.g., labor, operating supplies, employee fringe benefits) shall be used as the basis for determining the current market price.

(d) In no event shall a unit price higher than the highest award price, adjusted for any significant differences between the buys, be considered to be the current market price. Exclude a high price if resulting from a distressed bid, or bidder's mistake, or if the award price was inflated because of additional requirements.

(e) To ensure that the award price to FPI, for the partial or total quantity, does not exceed the current market price, the contracting officer shall:

(1) Request FPI to furnish its cost estimate, FPI Form 73 (Unit Cost Estimate) with supporting documentation, such as material quotes, for all first time buys and whenever current actual market prices are unavailable or when there is basis for concern regarding an FPI quote;

(2) Consider requesting FPI to furnish its cost history, FPI Form 9 (Production Order and Cost Sheet) for the most recently completed contract(s) for the item (if none, for the most comparable item), along with identification of any apparent errors;

(3) Obtain an independent cost/price analysis of purchases estimated to exceed $200,000 and other actions as deemed appropriate. (See 15.404-1(c)(S-91)). Coordinate with the contracting office's pricing

division on the price or cost/price analyses performed on other large purchases with the cost and price analysis element in accordance with FAR, DFARS and DLAD 15.404-1(b) and (c);

(4) Establish prenegotiation objectives as appropriate considering whether the objective is based on pricing data or on cost data plus a weighted guideline profit analysis (see DFARS 215.404-72 for non-profit organizations);

(5) Negotiate with FPI to achieve price reasonableness (see FAR 15.405(d)), and that the price does not exceed the current market price. Elevate negotiation to higher levels of management as necessary;

(6) Document the price reasonableness determination in the contract file; and

(7) Refer instances of unreasonable price which cannot be corrected to a higher authority in accordance with FAR 15.405(d) and DLAD 15.405(d)(S-90). Include a price survey of other potential suppliers and a recommendation concerning whether a clearance request to purchase the item competitively is warranted and needed (see FAR 8.605).

(f) In awards involving multiple destinations, each destination, for purposes of determining the price to be paid FPI, shall be considered a separate award.

(g) When the price comparison involves Government furnished material (GFM) or Government furnished property (GFP), differences in transportation costs for the GFM or GFP shall be considered. Also consider differences in Government transportation costs of end items to the same destination points and any variations in the percentages of GFM usage and/or operating and maintenance costs of GFP.

8.605 Clearances.

(a)(2) Waiver procedures and a waiver form can be found at internet address: http://www.unicor.gov/customer/waiverform.htm. The mail address for waiver requests is:
UNICOR Customer Service Center
Post office (P.O.) Box 13640
Lexington, Kentucky 40583-3640

(c)(S-90) Use of the alternative dispute resolution process established by FPI should be considered whenever a clearance is denied. Waiver appeal request forms, at www.unicor.gov/unicor/appeal.html, may be addressed as follows, with an information copy provided the local SADBU:
Ombudsman
Federal Prison Industries
320 First Street NW
Washington, District of Columbia 20534
The ombudsman may also be contacted at telephone: (202) 305-3515; fax: (202) 305-7340.

SUBPART 8.7 – ACQUISITION FROM NONPROFIT AGENCIES EMPLOYING PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

8.702-90 General.

(a) It is DLA policy to cooperate fully with AbilityOne and its central nonprofit agencies (CNAs) in accordance with statutory and regulatory mandates, and to provide the maximum practicable opportunity by which AbilityOne entities may become full partners with DLA at either the prime or subcontract level.

(b) Contractor participation in a program of support for AbilityOne entities shall be the focus of an evaluation factor to be included in solicitations or other announcements for contracting arrangements that use negotiated source selection procedures; see 15.304(c)(S-91).

(c) When making a decision whether to exercise an option, the contracting officer shall evaluate whether the contractor has satisfactorily performed in accordance with the contract terms and conditions and the contractor's proposal or plan, if applicable, relating its commitment to use of AbilityOne entities. Field

elements of the Defense Contract Management Agency shall be used to assist in assessing a contractor's compliance with these requirements.

(d) In addition to using an evaluation factor in accordance with 8.702-90(b) of this section, the contracting officer shall provide incentives, through measures such as the following, for prime contractors to subcontract with AbilityOne entities, to the maximum extent possible, even when not statutorily obligated to do so.

(1) Use of AbilityOne entities under previous contracts as part of the overall past performance evaluation factor in source selection;

(2) Evaluation of present performance regarding subcontracting with AbilityOne entities in determining placement of orders under multiple-award contracts; and/or

(3) Consideration of contractor present and past performance with reference to AbilityOne entities in the exercise of options (see 8.702-90(c)).

8.703-90 Policy for additions of AbilityOne products to the procurement list.

(a) DoD 4140.1-R, Appendix 7, Supply Management Relationship Agreement between DoD and GSA, gives DoD authority to procure assigned products for the entire Federal Government; this authority has been assigned by DoD to DLA.

(b) DLA will participate in the AbilityOne process for adding new DLA-managed/procured items to its procurement list. See PGI 8.703-90(b) for procedural guidance.

(1) Refer to Ability One's site for general guidance at http://www.abilityone.gov/procurement_list/services_commodity.html.

(2) When AbilityOne seeks to add items to the procurement list for DLA or DoD use only, the AbilityOne liaison will work directly with the contracting officer responsible for the item in conjunction with the small business office on obtaining concurrence for the proposed addition as well as requirements, pricing/costs, drawing/specifications, and proposed delivery schedules. The contracting officer signs the price concurrence letter, which is AbilityOne form CBSD 1005, when an agreeable price proposal is submitted. The contracting officer will attempt to complete these actions within 30 days.

(3) When AbilityOne seeks to add items to the procurement list for aTotal Government Requirement (TGR) or for a Broad Government Requirement (BGR) that are assigned to DLA for management and/or procurement, AbilityOne is required to submit a business case analysis (BCA) and supporting documents to DLA Technical and Quality Assurance (J334) for consideration.

(i) The BCA package is submitted by a central nonprofit agency (CNA), NIB or NISH, for AbilityOne to J334, which determines if the national stock number (NSN) is managed by GSA or DLA. If responsibility is with GSA, J334 notifies the submitting central nonprofit agency that items are not managed by DLA and no further action by DLA will be required. If management responsibility is found to be with DLA or if DLA is assigned procurement responsibility for an item, a copy of the BCA is sent to the small business office AbilityOne liaison to begin the review. The small business office will contact the appropriate technical and quality point of contact.

(ii) The contracting officer shall work with the cognizant technical and quality point of contact to ensure the following review is accomplished.

(A) For existing NSNs, the technical and quality point of contact reviews the item's technical information for potential technical limitations to AbilityOne providing the support, such as controlled sources.

(B) For proposed new items, the technical services branch determines if there is sufficient information provided to develop an adequate procurement item description (PID) or if an existing NSN can be revised to allow acceptance of the proposed item. An existing customer demand/supply request form is not required. If the BCA adequately supports the need to add the new item, the technical and quality point of contact will work with DLA Logistics Information Service to catalog the new item. The

technical and quality point of contact provides a summary of their findings to the appropriate supply chain small business office.

(C) The contracting activity shall designate a contracting officer to review the BCA and evaluate the AbilityOne request. The designated contracting officer shall normally have responsibility for the DLA-managed/procured item(s) that is/are proposed for addition to the procurement list. The designated contracting officer is responsible for the following:

(1) Reviewing the BCA file, all supporting data, and market comparisons to determine price reasonableness. The price must be fair and reasonable based on a range of other current quotes or market comparisons; AbilityOne is not expected to be the absolutely lowest price, nor are they expected to match out-of-date prices, loss leaders, salvage prices, sale prices especially when using raw materials that have high market volatility. AbilityOne prices are free on board (f.o.b.) origin.

(2) Including a statement of price reasonableness in the contract file. An existing customer demand/supply request form is not required. If the BCA adequately identifies a need it should be considered for sponsorship regardless of demand history.

(i) If the proposed addition is for an existing NSN for which there is long term contract coverage, the contracting officer may base price reasonableness on comparison with the current contract price.

(ii) When comparing the proposed fair market price (FMP) to an f.o.b. destination contract price, the contracting officer may add the estimated freight to the proposed fair market price for an accurate comparison. The proposed fair market price plus the estimated freight cost should be reviewed in accordance with standard price analysis in order to determine contract price for procurement list addition concurrence.

(iii) If the proposed fair market price plus the estimated freight is unreasonably higher than the DLA f.o.b. destination contract price, the contracting officer shall not concur with the proposed addition to the procurement list.

(A) The contracting officer shall notify the small business office AbilityOne liaison that it is not in the best interest of the Government to support the procurement list addition at a price unreasonably higher than the current contract price.

(B) The AbilityOne liaison notifies the appropriate central nonprofit agency, J334, and DLA Acquisition Programs (J74) of the denial. The central nonprofit agency may either propose a lower price or withdraw the BCA.

(iv) If the proposed addition is for a new NSN, the contracting officer shall base price reasonableness on comparison with similar items, market research or a method found at FAR 13.106-3 or, if necessary, FAR 15.404-1.

(3) If the contracting officer concurs with the proposed addition, the contracting officer shall sign and electronically send the signed AbilityOne form CBSD 1005 to the small business office AbilityOne liaison with a brief statement in the email that he/she concurs with the proposal; include the BCA number for the proposal that was provided as reference. The contracting officer will attempt to complete these actions within 30 days. The AbilityOne liaison will be responsible for sending the information, with BCA number as reference, to the applicable central nonprofit agency, J334, and J74.

(4) Upon receipt of the procurement list addition notice and confirmation that the non-profit agency is ready for production, the contracting officer determines the appropriate contracting vehicle for the item. The contracting officer should consider the Government-wide nature of the procurement list and ensure the item is available to all Federal agencies.

(i) If the item is an existing NSN that is on a term contract or blanket purchase agreement (BPA), the contracting officer coordinates with the stock procuring contracting officer to find out when the current option period expires.

(ii) New additions for new NSNs may be added to AbilityOne agreements any time after receipt of the procurement list addition notice and production-ready letter.

(iii) Additions for existing NSNs that are on requirements contracts cannot be added to an AbilityOne agreement until after the current option period expires.

(iv) If the addition is for existing NSNs on a prime vendor contract, the contracting officer will determine whether to require the prime vendor to acquire the product from AbilityOne or to remove the NSN(s) from the contract and add to an AbilityOne agreement.

SUBPART 8.8 – ACQUISITION OF PRINTING AND RELATED SUPPLIES

8.802-90 Policy.

(a) Policy and procedures for the acquisition or production of printing are contained in DLAI 5330.1, Publications, Forms, Printing, Duplicating, Micropublishing, Office Copying, and Automated Information Management Programs.

SUBPART 8.70 – COORDINATED ACQUISITION

8.7002 Assignment authority.

(a)(4) Exclusions to Defense Logistics Agency or General Services Administration Assignments by Agreement. All proposed agreements in accordance with DFARS 208.7002(a)(4) to permit a Military Service to acquire Military Service-managed items for which the estimated obligation of a one-time authorization will exceed $150,000, or when the annual obligations are expected to exceed $150,000 for a continuing authorization, shall be submitted for review and approval by DLA HQ, attention: J71, prior to consummation of the agreement. Continuing authorizations will not be granted for periods exceeding 12 months, notwithstanding the amount of estimated annual obligations. Requests shall be submitted by letter in sufficient detail to support the proposed agreement and shall be signed at a level no lower than the Chief of the Contracting Office.

8.7004 Procedures.

8.7004-2 Acceptance by acquiring department.

(a) Upon receipt, MIPRs and other requests for non-DLA managed items should be routed directly to individuals responsible for procurement for processing. Simultaneously, such requests will be routed for review by staff elements with corollary interest (operational, functional or policy-type offices having oversight responsibility for technical/quality issues), as necessary. The contracting officer or designated acceptance official shall request that reviewing elements furnish comments within 10 days. This must be done within 20 days of receipt of the MIPR, in order to meet the 30 day acceptance time-frame. The acceptance official will act as the team leader to obtain any necessary advice and counsel from local experts in order to accomplish the acquisition mission successfully.

(S-90) Each procurement, whether covering a military service-managed or DLA-managed item, will take its priority position based on the factors surrounding the particular procurement and not on the type of item or origin of the purchase request.

8.7004-3 Use of advance military interdepartmental purchase requests (MIPRs).

(f) Actions in accordance with DFARS 208.7004-3 may be taken by a contracting activity or office upon receipt of an advance MIPR (or similar type purchase request), provided the purchase request contains a statement reading essentially as follows: "A firm requirement exists for the item(s) contained in this MIPR; purchase of the items will be supported by the commitment of funds which are expected to be

made available (within the next *** days)/(prior to the end of this fiscal year)." Any other written advice from the requiring activity that the requirement is firm and that there is a reasonable expectation that funds will be made available for obligation purposes against the specific advance MIPR, may be accepted in lieu of a statement embodied in the MIPR. This advice will be used as the basis to proceed with the purchase action up to the point of award.

(1) Invitation for Bids (IFBs) or Request for Proposals (RFPs) issued on the basis of unfunded advance MIPRs shall clearly state that no awards will be made until such time as funds become available for obligation purposes. (See FAR 32.703-2.)

(2) In instances such as those authorized herein, the requiring activity will be notified of the scheduled award date of the IFB or RFP and that, if funds are not made available by that date, the solicitation may be canceled. The scheduled award date may be extended at the discretion of the contracting office.

(3) If a requiring activity indicates that funds will not be forthcoming, the solicitation shall be canceled. All offerors shall be notified immediately of such cancellation (see FAR 14.404-3). If the solicitation is canceled prior to the solicitation opening or closing date, unopened offers shall be returned to offerors.

SUBPART 8.73 – USE OF GOVERNMENT-OWNED PRECIOUS METALS

(Revised June 15, 2015 through PROCLTR 2015-09)

8.7300 General.

(a)(1) DoD has assigned DLA the mission to reclaim precious metals from precious metal bearing scrap and waste materials, and to make available reclaimed precious metals as Government-Furnished Property (GFP) in acquisition of items containing precious metals. This section implements DoD Directive 4160.22, Recovery and Utilization of Precious Metals, which establishes DoD policy governing the management of the recovery and the use of precious metals derived from precious metal bearing scrap and waste materials generated by all elements of DoD worldwide.

(2) DLA is assigned the responsibility for managing the overall program and has designated DLA Disposition Services as the activity charged with the responsibility for managing the retrieval and refining of precious metals. DLA Troop Support has been assigned the supply management function for precious metals.

8.7302 Policy.

(a) All DLA elements generating precious metal bearing scrap and waste materials shall establish and operate an internal program to assure the economical reclamation of precious metals, consistent with the overall DoD policy of effecting maximum use of excess property to meet DoD needs. Recovered precious metals, after refinement, will be made available to DoD elements for their use as Government furnished property (GFP) to reduce new acquisition costs.

(b) Responsibilities. Contracting activities, or for those DLA activities not designated as a contracting activity (see DFARS 202.101), the Commander, Director, or Administrator, are responsible for the following:

(1) Reporting precious metal bearing scrap and waste materials to the DLA Disposition services manager.

(2) Taking appropriate disposition action, including shipping, based on direction from the DLA Disposition services manager.

(3) Using the refined precious metals maintained in storage by the DLA Troop Support precious metals inventory manager, as GFP, whenever feasible, for contracts requiring use of precious metals.

8.7303 Procedures.

The procuring contracting officer (PCO) shall provide instructions to the administrative contracting officer (ACO) for metal disposal upon completion of the contract. In accordance with DoD 4160.21-M, Defense Materiel Disposition Manual, Chapter 11, Precious Metals Recovery Program (PMRP), the following procedures apply:

(a) Prior to soliciting offers for awards of contracts requiring precious metals, the contracting officer shall contact the DLA Troop Support precious metals supply planner, DLA Troop Support, phone: 215-737-8579, fax: 215-737-8588, indicating the item, quantity, and grade of precious metal required for the acquisition. If the required amount is available, request in writing to DLA Troop Support that the required quantity be reserved to cover the acquisition including the estimated delivery schedule. DLA Troop Support will reserve requested quantities of precious metals for 120 days.

(b) To requisition precious metals, the contracting officer shall submit a military standard requisitioning and issue procedure (MILSTRIP) requisition to DLA Troop Support. The requisition shall cite full troy ounces (partial ounces shall be rounded off to the nearest whole ounce). See instructions in 8.7303(d) for how to calculate. Exception data shall be cited in the “remarks” section of the requisition. The exception data are:

(1) An unclassified "ship to" address specifying exact location (building, office, and individual) and applicable zip code. The DoDAAC is not always sufficient for delivery;

(2) The number of the contract or work order on which the precious metal is to be used, for control and audit purposes;

(3) The end item application, the NSN, the part number, or any other data that identifies the item or component in which the precious metal shall be used, as well as the quantity of precious metal which shall be used for each item or component, if known ; and

(4) Name and telephone number of a point of contact at the requisitioning activity, to resolve any problem, as required.

(c) The Defense working capital fund issue price to the requiring activity is established by DLA Troop Support based on PMRP recovery costs plus an authorized surcharge (such as for administration, insurance, and transportation). Transportation is usually accomplished by premium method (armored van); therefore, multiple requisitions to the same destination should be consolidated whenever possible. Delivery normally will be accomplished within 3 weeks after receipt of the requisition by the DLA Troop Support supply planner.

(d) The formulas for computing the number of troy ounces of Government-Furnished (GF) precious metal are provided in 8.7303(d)(1)-(3). Quantities are rounded to the nearest whole number.

(1) If the end item being procured is in troy ounces: Multiply the number of end items being procured by the percent of precious metal in the end item.

Example: Requirement is for 30,000 troy ounces of precious metal brazing alloy, and each troy ounce of the alloy has a 31% precious metal content.

30,000 x .31 = 9,300 troy ounces of GF precious metal

(2) If the end item being procured is in avoirdupois (avoir) pounds (American pound weight): Multiply the total number of pounds being procured by the percent of precious metal in the end items; then multiply that total by 14.583 (equivalency used to convert avoir pound weight to troy ounces).

Example: Requirement is for 26,538 pounds of precious metal brazing alloy, and each pound of alloy has a 15.5% precious metal content.

26,538 x .155 = 4,113.39 (avoir pound of precious metal needed)

4,113.39 X 14.583 = 59,985.56 or 59,986 troy ounces of GF precious metal

(3) If the end item being procured is in troy pounds: Multiply the total number of troy pounds being procured by the percent of precious metal in the end item; then multiply the number of troy pounds of precious metal by 12 (number of troy ounces in a troy pound).

Example: Requirement is for 12,156 troy pound of precious metal brazing alloy, and each troy pound of alloy has a 15.5% precious metal content.
12,156 x .155 = 1,884.18 (troy pounds of precious metal)
1,884.18 x 12 = 22,610.16 or 22,610 troy ounces of GF precious metal

PART 9 – CONTRACTOR QUALIFICATIONS

(Revised September 19, 2016 through PROCLTR 2016-09)

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SUBPART 9.1 – RESPONSIBLE PROSPECTIVE CONTRACTORS

9.100 Scope of Subpart.

The Defense Contractor Review List (DCRL) is an enterprise-wide tool for use by contracting officers to identify and communicate contractor performance, capability, and integrity issues for making determinations of responsibility and the effective administration of contracts. The DCRL has Special Attention Reason Codes that describe the basis for being on the list and Treatment Codes that provide recommended actions to contracting officers for mitigating risk. The DCRL includes contractors identified in SAM as debarred, suspended, proposed for debarment, or otherwise ineligible for award. SAM data takes precedence over DCRL data.

9.104 Standards.

9.104-2 Special Standards. Coordinate with the Food and Drug Administration (FDA) when developing special standards for drugs, biologics, and other medical supplies.

9.105 Procedures.

9.105-1 Obtaining information.

(S-90) For the automated simplified purchasing process, the system checks the DCRL. An offeror debarred or suspended is deemed not qualified for award and not considered in automated evaluation. Low evaluated offers from offerors on the DCRL (for other than debarred and suspended) are rejected from the automated system for manual determination of responsibility. When making determinations of responsibility, review the DCRL and comply with DCRL Special Attention Treatment Codes in Enterprise Central Component (SAP-ECC) and Supplier Relationship Management (SAP SRM/EProcurement).

(1) Contractors on the DCRL shall be considered for solicitation (except when the Special Attention Reason Code is "A" or the Special Attention Treatment Code is "08".

(2) When the DCRL Special Attention Treatment Code description states "review Contractor Performance History," request a Contractor Performance History.

(3) Confirm the information in SAM not more than two days prior to award, and document the contract file.

(S-91) DCRL Monitors.

(1) Each Procurement Process Support Director shall designate a DCRL monitor. Referrals to the DCRL Monitor shall be for any of the reasons identified in the DCRL Special Attention Reason Code table below.

(2) DCRL Monitors shall review referrals for approval and execution of submission to add, amend, or remove a contractor to/from the DCRL in coordination with all DCRL Monitors. DCRL Monitors are responsible for maintaining the DCRL for their procuring organization and shall review the DCRL every month for currency.

(3) Contracting officers, product specialists or the Office of Counsel shall provide notification of contractor improvement and recommendation for DCRL removal to their DCRL Monitor if they become aware of circumstances that may warrant changes to the DCRL information.

(i) The contracting officer may discuss performance information included in the DCRL with prospective contractor(s). However, contracting officers must not discuss any information related to ongoing investigations of matters that potentially could result in Civil or Criminal False Claims Act litigation, or a suspension, notice of proposed debarment, or debarment action. "Investigations" would include those conducted by the Defense Criminal Investigation Service, the respective Military Services Investigation Agencies; the Federal Bureau of Investigation and any other Federal Investigative Agency. contracting officers should consult with their Office of Counsel's Procurement Fraud Attorney if they have any doubt whether the release of information could potentially compromise the Government's ability to conduct a confidential investigation.

(S-92) The DCRL Review Board. The DCRL Review Board is responsible for reviewing actions of the DCRL Monitors and ensuring the contractor listing is accurate and current.

(1) Membership consists of all DCRL Monitors, Fraud Counsel, DLA Logistics Operations Technical and Quality Division, and the DLA Acquisition Policy Division. The DLA Procurement Process and Systems Division will chair the board meetings. The Board shall–

(i) Meet quarterly.

(ii) Review the list of the current authorized DCRL contractor entries.

(iii) Resolve any concerns or questions pertaining to the DCRL purpose and processes for entry or removal of a contractor from the DCRL.

(iv) Publish and provide minutes from meetings to the DLA Acquisition Director and the HCAs not later than ten business days after the DCRL Review Board meeting.

(2) Contractors shall be removed from the DCRL when—

(i) The conditions that warranted their inclusion on the DCRL no longer exist or have substantially improved; and/or

(ii) The DCRL Monitor determines that information provided by acquisition personnel is not sufficient to justify retention of the contractor on the DCRL.

(S-93) The DCRL Special Attention Reason Codes and Treatment Codes.

(1) Recommendations/instructions are cited for each supplier/CAGE code listed and are to provide visibility of known/potential areas of concern and actions that shall be taken to address such issues. When a preaward survey (PAS) (see 9.106-2) results in a negative DCRL recommendation for a small business who is the apparent successful offeror resulting in a negative responsibility determination, then an SBA Certificate of Competency is required. The only instances of "do not award" involve cases of debarment, suspension, and proposed debarment except as otherwise directed by the Fraud Monitor or Business Integrity (Fraud) Counsel.

(2) Special Attention Reason codes.

(i) For DCRL Special Attention Reason Code A, the EProcurement "Debarment Status" field will be coded as: "D" for Debarment, a "P" for proposed debarment/suspension, or "S" for suspended.

DCRL Special Attention Reason Codes	Description	Help Text
A	Suspended or Debarred	Debarred, Suspended or Otherwise Ineligible. This category includes firms or individuals that are ineligible for federal procurements due to a suspension, proposal for debarment or debarment pursuant to FAR 9.4.
B	Recommended for Debarment	Recommended For Debarment or Suspension. This category includes contractors that have been recommended for debarment or suspension. Although these contractors are not ineligible for award, follow the treatment code.
C	Responsibility Matters	Certification Regarding Responsibility Matters. This category includes contractors that have certified in accordance with FAR 52.209-5 that they have had a criminal conviction or civil judgment for fraud in the past three years or are currently indicted or otherwise criminally or civilly charged with fraud.
D	Termination for Default	Termination for Default. Contractors in this category have been terminated for default within the previous twelve months.
E	Financial Difficulties	Financial Difficulties (Including Chapter 11 Bankruptcy). Contractors are included in this category when information is received from DCMA or other sources that indicates the contractor is having financial difficulties. Such difficulties include contractor indebtedness that may jeopardize timely completion of the contract or contractor application for reorganization under bankruptcy laws (Chapter 11). Information may include formal bankruptcy notifications, or information informally obtained from credible sources.
F	Chapter 7 Bankruptcy	Business Closings (Including Chapter 7 Bankruptcy). This category includes contractors and individuals who have ceased business operations, are in the process of liquidating under bankruptcy laws (Chapter 7), or are otherwise going out of business.

G	Negative Preaward Survey	Negative Preaward Survey. Contractors are included in this category when a preaward survey (PAS) that recommends no award has been received within the last twelve months
H	DCMA Imposed Corrective Action	DCMA Has Imposed Corrective Action. Contractors are included in this category when DCMA has found deficiencies in the contractors' quality system and has imposed a Corrective Action (CAR) Level III or IV Review
I	In DCMA Delivery Schedule Manager	DCMA Delivery Schedule Manager. DCMA has relevant information concerning contractors in this category.
J	Delinquent Performance	Delinquent Performance. This category includes contractors that have exhibited a pattern of delinquencies.
K	“Buy-Ins” or “Bid Shopping”	"Buy-ins" and "Bid Shopping." This category includes contractors that have had excessive cancellations, price increases and requests for modification after award. These practices indicate a "buy-in", "bid shopping", or other unacceptable bidding practices. This code applies to contractors that: (1) "Bid shop after award" that result in frequent inability to furnish supplies in accordance with the quotation that led to the award. (2) Submit frequent requests for deviations or waivers, clarification, and substitution of part numbers, most of which lacks substance but prevents compliance with the original delivery date. (3) Frequently return purchase orders for price increase. (4) Frequently notify the contracting activity that it will not perform under purchase orders just prior to due date in an apparent effort to reduce its delinquency rate. (5) Frequently fail to accept bilateral or perform unilateral purchase orders.
L	Pricing Discrepancies	Pricing Discrepancies (Excessive prices). Contractors are in this category when information indicates prices may not be fair and reasonable.
M	Fast Pay Discrepancies	Fast Pay Discrepancies/Abuse Contractors are included in this category when there is evidence that a contractor is violating or has violated the Fast Pay procedure (e.g., contractor has invoiced the Government without shipping the supplies).
N	Potentially Defective Material	Potentially Defective Material. Any DoD component has issued notifications regarding potentially defective material supplied by contracts in this category.
O	Counterfeit Material and Unauthorized Substitution	Counterfeit Material and Unauthorized Product Substitution. Contractors in this category are under surveillance by the Counterfeit Material/Unauthorized Product Substitution (CM/UPS) Team.
P	Nonconforming Supplies	Nonconforming Supplies. This category includes contractors for which evidence has been provided that a contractor has supplied nonconforming material, has supplied surplus material without quoting surplus material, has supplied foreign material without identifying country of origin, or has other questionable quality practices.
Q	Failure to Provide Approved Part	Failure to Provide Approved Part. This category includes contractors that have a pattern of supplying unapproved parts or making an unauthorized substitution for CAGE code/part numbered items.
R	Miscellaneous	Miscellaneous (Other Information). This category serves as an informational category providing contracting personnel with current status of administrative changes, business closings, transfer of ownership, change of location, change of CAGE code,

		multiple contractors at the same location or any other information that may assist in the decision process. See the "Remarks" section of the DCRL for instructions.
S	Sensitive Information	Sensitive Information. Specific instructions apply to contractors listed in this category. These instructions are not necessarily related to responsibility and the reason for placement in this category shall not be stated in the DCRL due to sensitivity. The "Remarks" section of the DCRL may contain a point of contact for information regarding these contractors. Sensitive information regarding these contractors shall not be disclosed to unauthorized persons.
V	Suspected Fraud or Collusion	Suspected Fraud or Collusion/Deceptive Business Practices.
W	Combined CAGE Codes	Combined CAGE Codes. Performance history for two or more CAGE codes have been combined for PPIRS purposes.

(ii) Special Attention Treatment codes.

DCRL Special Attention Treatment Codes	Description	Help Text
01	Reserved	Reserved
02	Evidence of PID MFR Part Number	For Part Numbered items, get evidence item was acquired from Manufacturer (MFR) cited in the Product Item Description (PID)
03	Traceability requirements	For FSGs/FSCs/NSNs requiring additional risk mitigation and the offeror is not identified as an approved source, require the offeror to submit traceability documentation.
04	Withhold Fast Pay Recommended	Withholding of Fast Pay recommended
05	Recom PAS > SAT/ Verbal PAS or Vendor Capability Questionnaire (VCQ) < SAT	Recommend Preaward Surveys for large buys/verbal preaward surveys and/or VCQ for simplified buys
06	Fraud Monitor Coordination Required	Forward any proposed awards through Fraud Monitor
07	Source Inspection Recommended	Source Inspection recommended (use of source inspection evaluation factor authorized after formal notification to contractor)
08	Do not solicit or award	Do not solicit or award
09	Review Contractor Performance History	Review Contractor Performance History (CPH)
10	Report Suspect Material to Fraud Monitor	Report suspected material problems to Business Integrity (Fraud) Counsel
11	Coordinate with DCMA	Coordinate with DCMA
12	Corrective Action Report Level IV approval required	CAR Level IV, approval required for award
13	Bilateral Award Email to Fraud Monitor	Bilateral Award – email contractor's name and CAGE, contract/purchase order no., and NSN to Fraud Monitor
14	Coordinate Mods with Fraud Monitor	Post award – Coordinate all administrative actions (modifications) with Fraud Monitor or Fraud Counsel
15	Deter Resp/Nonresp required	Prepare formal determination of responsibility/nonresponsibility

16	CAGE Combined for PPIRS Info	This CAGE Code has been combined with other CAGE codes for PPIRS purposes (For Informational Purposes Only)
17	Coordinate Cost and Price Office	Coordinate with Cost and Price Office
18	Report to Fraud Counsel	Report to Business Integrity (Fraud) Counsel
19	Coordinate with Office of Counsel	Coordinate with Office of Counsel
20	Refer to DCRL Narrative Detail	Refer to DCRL Narrative for details
26	Recommend price reasonableness	Recommend documentation of price reasonableness
27	Suspend automated awards	Suspend from automated systems (case by case basis)

(S-94) Other Risk Indicators: Obtain additional information to make responsibility/nonresponsibility determination.

(1) Supplier Risk Indicators:

(i) No DLA history (new vendor);

(ii) Poor PPIRS Score or no PPIRS Score;

(iii) Poor Delivery Performance;

(iv) Poor Quality Performance (excessive PQDRs/SDRs);

(v) Negative Preaward Survey (PAS) within 12 months;

(vi) History of fraud or collusion;

(vii) History of providing non-conforming, defective products, or counterfeit items;

(viii) Terminated for Default for the same FSC/NIIN within 3 years;

(ix) Bankruptcy within last 3 years;

(x) DCMA Corrective Action Requests (CAR);

(xi) The offeror is on the SAM Excluded Parties List System (EPLS) within the last 3 years;

(xii) The offeror is currently showing signs of financial distress, or has a history of delinquent payments and /or financial difficulty;

(xiii) Manufacturer's CAGE identified in offer differs from CAGE code of the approved manufacturing source in solicitation;

(xiv) The offeror is reluctant or unable to provide traceability documentation;

(xv) The offeror's phone number, address, e-mail, or other vital information is missing, invalid, or suspicious;

(xvi) The offeror is a dealer but identifies itself as the manufacturer; and/or

(xvii) The offeror is a manufacturer, but its place of business is in a residential neighborhood.

(2) Price Risk Indicators:

(i) The price offered is lower than price of approved source or its authorized distributor;

(ii) The price offered is out of line with other offers or past pricing history; and/or

(iii) The price offered for new product is lower than price offered for surplus material.

(3) High Risk Item with technical data package (TDP) and no record of successful performance in the FSC (e.g., critical safety, ALRE, complex TDP, FAT).

(S-95) Consider contract risk mitigation when a contractor can be determined responsible but risk factors are present.

(1) No Fast Pay.

(2) Bilateral Purchase Order.

(3) Code and Part Number Buy: Request Traceability Preaward and Post-Award.

(4) Specification/Standard/Drawing buy: Require source inspection (if appropriate), no COC, require PVT.

(5) Super Key Item Drivers with FAT: Split award between proven (waived) and unproven sources.

(6) Request the product specialist to prepare a Quality Assurance Letter of Instruction (QALI) when additional instructions or guidance are required on source inspection.

9.106 Preaward surveys.

9.106-2 Requests for preaward surveys (PAS).

(a) Requests for a formal PAS shall be forwarded to the PAS monitor. Informal PAS may be requested by telephone or email to the DCMA PAS Manager/Quality Assurance Representative (QAR). Procuring organizations that use PAS will designate an organizational element to serve as the focal point for PAS and to be the principal point of contact with PAS monitors at surveying activities. The focal point will review formal PAS requests for completeness and accuracy before forwarding these requests to surveying activities. The PAS Monitor shall:

(1) Send the completed report to the contracting officer for placement in Records Management.

(2) Send all formal PAS documentation regarding a company's quality control (if information is included in the survey results) to the product specialist.

SUBPART 9.2 – QUALIFICATIONS REQUIREMENTS

9.202 Policy.

(a)(1) The CCO is the designee.

(i) QPL and QML qualification requirement documentation and justification are included in the technical description.

(ii) QSLM and QSLD information is retained at the procuring organizations.

(2) Solicitation.

(i) Solicitations and awards shall include procurement note H01 when purchasing qualification items in Federal Supply Class (FSC) 5935.

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H01 Qualified Products List (QPL) for Federal Supply Class (FSC) 5935 Connector Assemblies and Contacts (SEP 2016)

When an offeror includes connectors and electrical contacts manufactured by different qualified sources, the offeror agrees to provide to the contracting officer or quality assurance representative, prior to delivery, documentation signed by an authorized contractor representative responsible for quality assurance, demonstrating that the connectors and electrical contacts in question were manufactured by/obtained from a current QPL source(s). The signed documentation must as a minimum include:

(1) Name of the quality assurance representative;

(2) Name of connector manufacturer(s);

(3) Manufacturer(s) part number(s) (P/N);

(4) Name of contact manufacturer(s); and

(5) The Commercial and Government Entity (CAGE) code of the manufacturer.

*****

(ii) Solicitations shall include procurement note M01when purchasing qualification items in Federal Supply Classes (FSCs) 5961, Semiconductors and Hardware Devices, and 5962, Electronic Microcircuits. Original Component Manufacturers (OCMs), Original Equipment Manufacturers (OEMs), QPLs, QMLs, authorized distributors with adequate supply chain traceability documentation to the approved source, or QSLDs are used for FSCs 5961 and 5962. Validate potential offeror(s) at https://landandmaritimeapps.dla.mil/Offices/Sourcing_and_Qualification/offices.aspx?Section=QSL. If no offers are received from any of the above approved sources, contracting officer may award to an offeror listed on the QTSL at https://landandmaritimeapps.dla.mil/Offices/Sourcing_and_Qualification/offices.aspx?Section=QSL.

*****

M01 Qualified Suppliers for Federal Supply Class (FSC) 5961 Semiconductors and Hardware Devices and FSC 5962 Electronic Microcircuits (SEP 2016)

(1) This is a qualified item. Only the approved source (e.g., Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM)) for the item specified in the solicitation/contract; or the approved source on the applicable Qualified Products Lists (QPL) or Qualified Manufactures List (QML); or the authorized distributors of the OCM/OEM or QPL/QML; or distributors listed on the Qualified Suppliers List of Distributors (QSLD), with adequate supply chain traceability documentation to the approved source of the item, are eligible to receive an award.

(2) When no offer is received from qualified suppliers listed in paragraph one, the Government reserves the right to make an award based on offers received from suppliers listed on the Qualified Testing Suppliers List (QTSL).

(3) The full listing of QSLD and QTSL suppliers, along with the qualification criteria, can be viewed electronically at:
https://landandmaritimeapps.dla.mil/Offices/Sourcing_and_Qualification/offices.aspx?Section=QSL .
*****

(iii) Solicitations shall include procurement note M02 when purchasing Land and Maritime QSLM Gun Parts qualification items. If no offers are received from approved sources, manufacturers listed or qualified for listing, or authorized distributors with adequate traceability to the approved or QSLM qualified source, consult with the product specialist to determine if other means of testing or verification are available to make an award.
*****

M02 Qualified Suppliers List of Manufacturers (QSLM) for Gun Parts Federal Supply Classes (FSCs) 1005, 1010, 1015, 1025, 1055, and 1095 (SEP 2016)

(1) This is a qualified item. Only manufacturers listed on the QSLM, or the authorized distributors of the manufacturer listed on the QSLM, with adequate supply chain traceability of the item specified in the solicitation/contract are eligible to receive an award.

(2) The full listing of QSLM suppliers, along with the qualification criteria, can be viewed electronically at:
https://landandmaritimeapps.dla.mil/offices/sourcing_and_qualification/offices.aspx?Section=QSA.
*****

(iv) Solicitations shall include procurement note M03 when purchasing Troop Support QSLM/QSLD qualification items. When a QPL requirement is specified, advise potential offeror(s) to provide a QPL item. In addition, contractors with QSLD status must also provide the product of contractors with QSLM status whether the item is governed by a QPL or not. Validate Troop Support QSL sources at
http://www.dla.mil/TroopSupport/IndustrialHardware/EngineeringandTechnicalservices/QualifiedSuppliersList.aspx
****

M03 Qualified Suppliers List for Manufacturers (QSLM)/Qualified Suppliers List for Distributors (QSLD) for Troop Support (SEP 2016)

(1) This is a qualified item. Only manufacturers listed on the Qualified Suppliers List for Manufacturers (QSLM), and the distributors on the Qualified Suppliers List of Distributors (QSLD), with adequate supply chain traceability of the item specified in the solicitation/contract back to the QSLM are eligible to receive an award.

(2) The full listing of QSLM and QSLD suppliers, along with the qualification criteria, can be viewed electronically at:
http://www.dla.mil/TroopSupport/IndustrialHardware/EngineeringandTechnicalservices/QualifiedSuppliersList.aspx

*****

(v) Solicitation and awards shall include procurement note H02 when purchasing component qualification items. The contracting officer shall validate QPL sources on offers and consult with the product specialist, if needed.

*****

H02 Component Qualified Products List (QPL)/Qualified Manufacturers List (QML) (SEP 2016)
This item contains one or more components defined by a specification(s) with an associated Qualified Products List (QPL) or Qualified Manufacturers List (QML). By submission of an offer, the offeror will supply such component item(s) only from sources currently qualified on the applicable QPLs/QMLs.

*****

9.203 QPL's, QML's, and QBL's.

(a) In addition to QPLs, QMLs, and QBLs, DLA uses agency developed qualification lists: Qualified Suppliers List of Distributors (QSLDs), Qualified Testing Suppliers List (QTSLs), and Qualified Suppliers List of Manufacturers (QSLMs).

(1) QSLD – a list of pre-qualified sources for certain components that are purchased and managed by DLA and have met DLA's traceability and quality system requirements. QSLD products are provided by distributors that combine accepted commercial practices, quality assurance procedures that are consistent with industry and international quality standards, and tailored when necessary to product-unique requirements that can take the place of provisions traditionally stated in DLA solicitations.

(2) QTSL – a list of pre-qualified sources who have met DLA's quality system and testing requirements for untraceable product in certain commodities and have agreed to the provisions of the program. QTSL
products are provided by suppliers that combine accepted counterfeit mitigation practices and quality assurance procedures that are consistent with industry and international quality standards.

(3) QSLM – a list of pre-qualified sources for certain fully competitive products which are purchased and managed by DLA. QSL products are provided by manufacturers that combine accepted commercial practices, quality assurance procedures that are consistent with industry and international quality standards, and tailored when necessary to product-unique requirements that can take the place of provisions traditionally stated in DLA solicitations.

(b) Qualified items are not automated and therefore are referred for manual review. The contracting officer shall –

(1) Include FAR Clause 52.209-1. For QSLD/QTSL/QSLM, recognize it is a qualified item from the Product Item Description (PIID).

(2) Check the applicable list(s) to ensure the potential offeror and/or its product is on the list.

(3) For offerors or products not on the applicable qualified list, request the offeror provide documentation that demonstrates supplier or its product meets the qualification standards prior to award.

(4) After qualification is verified, proceed with award.

9.204 Responsibilities for establishment of a qualification requirement.

(a)(1) Contracting officers shall post sources sought notice at www.fedbizopps.gov periodically.

9.270 Aviation and ship critical safety items.

9.270-3 Policy.

(a) The product specialist (PS) shall coordinate with the design control activity and update the material master, ensuring the approved sources are current. Prior procurement history is not an indication of current source approval. The PS shall advise the contracting officer of changes to a supplier's status. When the PS removes

an approved source, the PS shall identify all open purchase requests and open contracts and notify the assigned contracting officers and contract administrators. Contracting officers shall amend solicitations to reflect the updated approved sources. If a contract action will result in delivery of an item from a source that is no longer approved, the contracting officer or contract administrator shall coordinate with the product specialist to determine if the ESA will accept the material. In the event the ESA will not accept the material, the contract action shall be terminated. The PS shall draft a letter with the rationale for removal for the contracting officer. The contracting officer shall coordinate with the COMPAD and issue the letter to the supplier.

Origin inspection is required. Certificate of conformance (COC) is not authorized, unless approved by the ESA. Incorporate all quality requirements into the contract when specified (e.g., first article test, production lot testing). Do not waive any quality requirement without referring to the PS.

When automated solicitations are used to solicit CSIs, offers must be manually evaluated and awarded.

All solicitations and contracts for CSI shall list the items in DFARS 252.209-7010 and shall include procurement note H04.

*****

H04 Sourcing for Critical Safety Items (SEP 2016)

The contractor procuring, modifying, repairing, or overhauling a critical safety item shall only use a source approved by the head of the design control activity.

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When multiple approved sources are identified, consider using acquisition strategies to help maintain more than one source, such as split awards or multiple awards. This minimizes ESA revalidation referrals required for CSIs whenever a source has not received an award for over 3 years.

Refer all offers of used, reconditioned, or remanufactured supplies; or unused former Government surplus property that are under consideration to the product specialist for evaluation (see 11.302(b)).

Prior to making award, obtain all approvals required on the DLA Form 13, Critical Safety Items and SPC Items Award Checklist, and retain in official contract file.

When award is made, notify the PS, who will determine if a quality assurance letter of instruction (QALI) is required. If award was made to a dealer or distributor, a QALI is mandatory; the QAS must have conducted a preaward review of traceability documentation in accordance with the approval/review requirements at 9.270-3(S-91) and Note 4.

When a contractor changes a business arrangement with an approved source for the item being acquired, or in a manufacturing process or facility, the contracting officer shall coordinate with the PS and take corrective action as needed.

(S-90) Critical Application Items (CAIs) are items where failure could affect mission, performance, readiness, or safety. The PS may need to coordinate with the ESA and shall follow any applicable performance based agreement and DLAI 3200.4.

(S-91) Contracting officers shall use the table below to determine when preaward referral to the PS is required to ensure that a prospective contractor is technically acceptable.

Type Of Offer	Criticality Of Item	Contracting Officer (CO) Can Award?	Requires Referral To Technical/ Quality?	Requires Approval From ESA?	Award Requires Approval One Level above CO?
Approved source offering "exact product"	Noncritical or CIC Blank	Yes	No	No	No
	CAI	Yes	No	No	No
	CSI	Yes	No	No	Yes (Note 1)
Dealer/ Distributor (non-manufacturer)	Noncritical or CIC Blank	Yes (Note 2)	No	No	No
	CAI	Yes (Note 2)	No	No	No

offering "exact product"	CSI	Yes (Note 3)	Yes (Note 4)	No	Yes
Unapproved manufacturing source offering "exact product"	Noncritical or CIC Blank	No (Note 5)	Yes	(Note 6)	No
	CAI	No (Note 5)	Yes	Yes	No
	CSI	No (Note 5)	Yes	Yes	Yes
Any source offering "alternate product"	Noncritical or CIC Blank	No	Yes	(Note 6)	No
	CAI	No	Yes	Yes	No
	CSI	No	Yes	Yes	Yes

Note 1 Does not apply to fully automated awards, if system only permits a fully automated award when an approved source is offering an exact product
Note 2 Contracting officers must either obtain traceability documentation prior to award, or must require suppliers in accordance with procurement note C03 in DLAD part 4 to retain documentation and provide it for review at time of Government source inspection, if applicable (see 9.270-3(a)) or during random or directed postaward audits.
Note 3 Contracting officers must obtain traceability documentation prior to award.
Note 4 The PS must conduct preaward review of traceability documentation on which quality assurance letter of instruction (QALI) will be based. Referral to the PS is mandatory after award to finalize QALI. (See 9.270-3(a)).
Note 5 Contracting officers must obtain traceability documentation and refer offer to the PS prior to award.
Note 6 The PS must follow the DLA Logistics Operations Division Desk book and local procedures to determine if ESA referral is required.

(S-92) The DLA Aviation technical oversight office (TOO) is authorized to maintain and disseminate all information regarding exemptions/waivers from CSI policies and clauses. The TOO will maintain this information and provide electronic access on their website.

SUBPART 9.3 – FIRST ARTICLE TESTING AND APPROVAL

9.302 General.
When placing a First Article Test (FAT) requirement in the Technical Data package (TDP), the activity imposing the requirement must provide justification for requiring a FAT in lieu of using less costly methods for ensuring the desired quality (e.g., DCMA inspections, Product Verification inspection, or Product Lot testing). Solicitations may be amended by the contracting officer to remove the requirement for FAT. The contracting officer is the final authority for imposing FAT and shall document the contract file when the requirement is removed or waived.

9.304 Exceptions.
FAT will not be applied for products identified to the following programs or assigned Acquisition Method Suffix Codes (AMSC):
(a) Reverse Engineering projects.
(b) Qualification with an AMSC Code T.
(c) Commercially available AMSC Code Z.
(d) Lack technical data AMSC Codes D, H, and P.

9.306 Solicitation requirements. The information is automatically included for automated acquisitions. The information is obtained from the Product Master for manual acquisitions.
(a) Solicitations and awards shall include procurement note H03 when FAT is applied.
*****
H03 Supplemental First Article Testing Requirements (OCT 2016)
(1) If there is not a separate contract line item number (CLIN) for FAT, production CLIN pricing shall include all costs and risk associated with completion of the FAT requirement.
(2) If there is a separate FAT CLIN, the FAT CLIN pricing shall include all costs and risk associated with completion of the FAT requirement; if no FAT CLIN pricing is proposed, no payment will be made

for any costs associated with FAT. Unit pricing shall be based solely on all costs associated with completion of the production units and shall exclude all FAT-related costs.

(3) The total award price will be used in selecting the best value offer from among all eligible offerors. However, to be eligible for award, the FAT CLIN (unless waived) and unit price CLIN(s) must each be determined to be a fair and reasonable price and, if set-aside under FAR Part 19, a fair market price. Additionally, the FAT CLIN (and if separately priced, any CLIN(s) for first articles) shall not be materially unbalanced in relation to unit price CLIN(s) for production quantities. In the event that an offeror receives a waiver of the FAT requirement, the FAT CLIN price for the waived source shall be deducted in determining the total award price.

(4) Waivers. The contractor may submit a request for FAT waiver to the contracting officer. The Government reserves the right to waive the FAT requirement when all the following criteria are met:

(a) Source has manufactured and delivered the product or similar product within the last five (5) years, or within the last three (3) years for critical safety items. The contractor shall provide the following supportable information:

(i) Contract Number(s), Date(s), and Issuing Government Agency or Agencies.

(ii) Item previously furnished, identified by part number, type, model number, etc.

(iii) Engineering control document/change number of item previously furnished.

(iv) There have been no changes to manufacturing processes, tooling, or locations.

(b) There have been no changes to manufacturing data (e.g., drawing revisions that change materials, dimensions, processes, inspection or testing requirements; or subcontractors used to manufacture the items successfully in the past).

(c) Item supplied will be of same design and manufactured by same method at same facilities as product or similar product previously furnished and accepted under subparagraph (4)(a).

(5) For test report preparation and delivery of contractor FAT utilize data item description DI-NDTI-80809B report format. Mark the test report with the following: "First article test report – Contract number: [insert contract number] and lot/item number: [insert lot/item number]. Present the test report to the QAR for review. Forward the QAR signed FAT Report, accompanied by the DD Form 250 and a contractor certification that the same process and facilities used to manufacture the first article units will be used to manufacture the production units, to the contracting officer at the applicable address shown below:

(a) For awards issued by DLA Aviation; or DLA Troop Support Clothing and Textile (C&T), Construction and Equipment, Medical Materiel, or Subsistence, submit the report to the procuring activity in Block 6 of the DD Form 1155, Block 7 of Standard Form (SF) 33, Block 5 of SF 26, or Block 9 of SF 1449 award.

(b) For awards issued by DLA Land (SPE7L), submit the report to the following address: DLA Land – FLSEB, ATTN: FAT Monitor, P. O. Box 3990, Columbus, OH 43218-3990, or email to: DLA.Land.and.Maritime.FAT.Notification@dla.mil.

(c) For awards issued by DLA Maritime (SPE7M), submit the report to the following address: DLA Maritime – FMSE, ATTN: FAT Monitor, P. O. Box 3990, Columbus, OH 43218-3990, or email to: maritime.fat.monitor@dla.mil.

(d) For awards issued by DLA Troop Support Industrial Hardware, submit the report to the following address: DLA Troop Support, Attention: First Article Testing Monitor, Building 3, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111. Preferred electronic submissions: Hardware FAT Monitor at DLAHardwareFATMonitor@dla.mil.

(6) When Government testing is required, provide written notice to the contracting officer and the QAR at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to shipment to Government for FAT, to accommodate in-process verification and/or final inspection by the QAR.

(7) For unit preparation and delivery of Government First Article orders, ship the units and completed DD Form 250 report to the test facility specified in paragraph (a) of FAR clause 52.209-4. Prepare the shipping container(s) by marking the external packages in bold letters, “First Article Exhibits – Do Not Post to Stock," adjacent to the MIL-STD-129R identification markings. Use a hard copy of the completed DD Form 250 as a packing list, in accordance with MIL-STD-129R, paragraph 5.11, Packing lists and documentation. The interior package shall include hard copies of the contract, test reports, material certifications/process operation sheets, drawings used to manufacture the units, and return shipping information. Send units by traceable means (e.g., certified or registered mail, United Parcel Service, Federal Express). Send an email with subject titled “Notification of Test Exhibits [insert Government Lab DODAAC]” to the corresponding address below and to the contracting officer specified in the contract. In the email, provide the shipment date, contract/purchase order number, National Stock Number, means of transportation, tracking number, and summary of container contents.

Attach a copy of the DD Form 250 and Invoicing, Receipt, Acceptance and Property Transfer (iRAPT) Receiving Report documenting the QAR inspection.

(a) DLA Land & Maritime – DSCCProdVerif@dla.mil

(b) DLA Aviation – DSCR.Test&EvaluationOffice@dla.mil

(8) If Government FAT units are conditionally approved or disapproved, the Government shall take action in accordance with FAR 52.209-4. At the Government’s discretion, disapproved FAT units sent to the Government may be returned to the contractor, if the contractor submitted the return address and shipping account for payment.

*****

(h) Determine the exhibit disposition by reviewing the Product Master (under the Material Data Tab in EProcurement). Solicitations and awards shall include either procurement note E01or E02 when the requirement indicates that the contractor or Government shall hold the units.

*****

E01 Supplemental First Article Exhibit Disposition – Contractor Maintained (SEP 2016)

The first article units will be maintained or returned to the contractor to be used as a manufacturing standard. The contractor shall hold the approved first article units at the production facility until all production quantities have been produced and accepted. In the case of indefinite delivery contracts, the contractor shall hold the first article units until final production run has been approved and accepted on the first delivery order. The unit shall be considered a production guide or manufacturing standard if defects are reported on delivered material or problems are encountered during production. When disposing the units, the contractor shall follow DFARS 252.245-7004(d).

*****

E02 Supplemental First Article Exhibit Disposition – Government Maintained (SEP 2016)

The first article units will be held by the Government, either destroyed in testing or maintained as a manufacturing standard. The contractor will be required to produce/deliver the full quantity indicated on the contract order. The first article units will not be part of the production quantity.

*****

(i) Evaluation factors. Solicitations shall include procurement note M04 when the Government’s laboratory cost will be a factor in evaluating offers. For automated acquisitions, this information is pre-populated in the solicitation. For manual acquisitions, the information shall be obtained from the Product Master (Classification section > Product Assurance tab).

*****

M04 Evaluation Factor for Government Testing of First Articles (SEP 2016)

The cost to the Government for first article testing shall be a factor in evaluating offers. The Government’s testing cost will be added to the offered price of the applicable item. Unless cited elsewhere in the solicitation, the testing cost is shown below:

Item	Government testing cost
	$
	$

*****

9.308 Contract clauses.

9.308-1 Testing performed by the contractor.
(a)(1) For automated acquisitions, fill-ins are pre-populated. For manual acquisitions, the information is obtained from the Product Master (Classification section > Product Assurance tab).

9.308-2 Testing performed by the Government.
(a)(1) For automated acquisitions, fill-ins are pre-populated. For manual acquisitions, the information is obtained from the Product Master under FAT guidance.

SUBPART 9.4 – DEBARMENT, SUSPENSION, AND INELIGIBILITY

9.404 System for Award Management Exclusions. The records required by FAR 9.404(b) are maintained by the Special Assistant for Contracting Integrity (SACI).

9.405 Effect of listing.
(a) HCA shall coordinate with the SACI prior to making a determination.
(S-90) Upon notification, the DLA Acquisition Operations Division shall review current or past contractual relationships with the contractor or its affiliates, in coordination with General Counsel and contracting officers. The DLA Acquisition Operations Division shall coordinate with the contracting officers if there is a basis for recovery of damages from, or other claims against, the contractor. If there may be a basis for claims against the contractor, information stating the factual basis shall be forwarded to General Counsel. The information shall include a plan to recover damages in the event the contractor does not voluntarily provide restitution to the Government.
(S-91) To preclude contractors that are debarred, suspended, or proposed for debarment from receiving awards, the DCRL monitors shall be immediately notified to ensure the information is added to the System for Award Management (SAM) Exclusions and the DCRL.

9.405-1 Continuation of current contracts.
(S-90) Authorization for novation of a contract or change of name agreement held by a contractor debarred or suspended by any Federal executive agency or proposed for debarment by any DoD component shall be coordinated with the SACI through Office of Counsel prior to such authorization.

9.406 Debarment.

9.406-3 Procedures.
(a) Office of Counsel shall submit the report based upon an indictment, judgment or criminal information to the General Counsel within 2 weeks of the date of notification and include a copy of the indictment (signed, with docket number and date), judgment, conviction order, or other supporting documentation.
(S-90)(a) Office of Counsel shall notify contracting personnel of proposed debarment or suspension. The contracting officer will review the proposed debarment or suspension report and any other supporting

data when the contractor is in line for an award. Coordination with the Office of Counsel for proposed award, option, subcontractor agreement or novation is required prior to action.

9.406-90 Procedures for debarments based on poor performance.

(a) Policy. Where poor performance is to be relied upon as a basis for debarment, the responsibility for ensuring that action is taken to initiate debarment proceedings lies primarily with the contracting officer.

(b) Referral. In accordance with the procedures contained in subparagraph (c) below, the contracting officer will refer to Office of Counsel those instances of contractor nonperformance that are so serious as to justify consideration of possible debarment action.

(c) Decision-making process.

(1) Before referring a contractor to the Office of Counsel for possible preparation of a debarment report, the contracting officer must be able to document the poor performance which will form the basis for a debarment recommendation. The contracting officer must also be able to demonstrate why debarment is appropriate under the circumstances, including any mitigating information known to the contracting officer. Referrals to the Office of Counsel should include all current information necessary to support the business decision that is to be recommended to the SACI. The contracting officer should be prepared to update the information provided once the debarment process is underway and to participate with Office of Counsel in presenting the case to the SACI.

(2) When recommending a contractor to Office of Counsel for consideration of a possible debarment recommendation on the basis of poor performance, provide:

(i) A clear identification of the contractor, including divisions, subsidiaries, and affiliates, and contractor employees, officers, and directors, specifically identifying the contractor personnel who have participated in the Government contracting process.

(ii) A detailed account of the contractor's current active contracts, recent, relevant performance history, and history of performance problems prompting the referral. While this detailed accounting of contracting performance will necessarily focus on contracts awarded by DLA, performance on other Government contracts must also be addressed. In this connection, the assigned contract administration office should be asked to provide information, as well as comments, on the action being considered.

(iii) The reasons identified for the contractor's poor performance and the action taken by the Government to protect its business interests.

(iv) A discussion of whether a debarment action directed toward a specific division, organizational element, or commodity would adequately protect the Government's interests.

(v) A discussion of the period of debarment to be recommended to the SACI, supported by rationale that addresses the likelihood that the contractor will be able to take corrective actions necessary to successfully perform in the future.

(vi) When a report recommending debarment is forwarded to General Counsel, provide notice of this action to contracting personnel at the recommending procuring organization assigned to commodities for which solicitations are likely to result in offers from the contractor identified in the report and to other procuring organizations.

PART 11 – DESCRIBING AGENCY NEEDS

(Revised September 19, 2016 through PROCLTR 2016-09)

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SUBPART 11.1 – SELECTING AND DEVELOPING REQUIREMENTS DOCUMENTS

11.103 Market acceptance.

(a) The contracting officer may require the demonstration in coordination with the product specialist, Office of Counsel, and procuring organization COMPAD.

SUBPART 11.2 – USING AND MAINTAINING REQUIREMENTS DOCUMENTS

11.201 Identification and availability of specifications.

(a) The product data specialist shall attach applicable GSA Index of Federal Specifications, Standards, and Commercial Item Descriptions to the Document Management System in EBS. The product data specialist shall attach the EBS document to the Material Master. ASSIST is linked to the Document Management System in EBS. The product specialist shall attach the EBS document to the Material Master. The procurement item description (PID) in the solicitation automatically references the technical documents.

(b) The product data specialist shall attach other non-index documents to the Document Management System in EBS. The product data specialist shall attach the EBS document to the Material Master.

11.273 Substitutions for military or Federal specifications and standards.

11.273-3 Procedures.
(2)(ii) The contracting officer shall coordinate with the product specialist for further coordination with DCMA.

11.274 Item identification and valuation requirements.

11.274-2 Policy for unique item identification.
(b)(2) Submit the D&F to the DLA Acquisition Operations Division.

SUBPART 11.3 – ACCEPTABLE MATERIAL

11.302 Policy.
(b) Acceptable material includes unused former Government surplus property unless restricted by the ESA. Offers for used, reconditioned, or remanufactured supplies must be coordinated with the product specialist. When the product specialist coordinates with the ESA, the ESA evaluation cost shall be included as an evaluation factor.

11.390 Unused former Government surplus property.
(a) Solicitations shall include procurement note C04 unless there is a documented restriction for unused former Government surplus property material. The procurement note is automatically included in automated solicitations.
*****
C04 Unused Former Government Surplus Property (SEP 2016)
To be considered for award, the offeror must complete and submit the following representation with their offer. Additional supporting documentation to demonstrate the surplus material offered was previously owned by the Government and meets solicitation requirements must be provided within 24 hours of request by the contracting officer.
(1) The material is new, unused, and not of such age or so deteriorated as to impair its usefulness or safety. Yes __ No __
The material conforms to the technical requirements cited in the solicitation (e.g., Commercial and Government Entity (CAGE) Code and part number, specification, etc.). Yes __ No __
The material conforms to the revision letter/number, if any is cited. Yes __ No __ Unknown __
If No, the revision does not affect form, fit, function, or interface. Yes__ No __ Unknown __
The material was manufactured by:
(Name): _____
(Address): _____
(2) The offeror currently possesses the material Yes __ No __
If yes, the offeror purchased the material from a Government selling agency or other source?
Yes __ No __ If yes, provide the following:
Government Selling Agency: _____
Contract Number: _____
Contract Date: (Month, Year): _____
Other Source: _____
Address: _____
Date Acquired: (Month/Year) _____
(3) The material has been altered or modified. Yes __ No __

If Yes, the offeror must attach or forward to the contracting officer a complete description of the alterations or modifications.

(4) The material has been reconditioned. Yes __ No __

If Yes, (i) the price offered includes the cost of reconditioning /refurbishment. Yes __ No __; and (ii) the offeror must attach or forward to the contracting officer a complete description of any work done or to be done, including the components to be replaced and the applicable rebuild standard.

The material contains cure-dated components. Yes __ No __

If Yes, the price includes replacement of cure-dated components. Yes __ No __

(5) The material has data plates attached. Yes __ No __

If Yes, the offeror must state below all information contained thereon, or forward a copy or facsimile of the data plate to the contracting officer. _____

(6) The offered material is in its original package. Yes __ No __

If yes, the offeror has stated below all original markings and data cited on the package; or has attached or forwarded to the contracting officer a copy or facsimile of original package markings:

Contract Number _____

NSN_____

CAGE Code_____

Part Number _____

Other Markings/Data_____

(7) The offeror has supplied this same material (National Stock Number) to the Government before. Yes __ No __

If Yes, (i) the material being offered is from the same original Government contract number as that provided previously. Yes __ No __; and (ii) state below the Government Agency and contract number under which the material was previously provided:

Agency _____

Contract Number_____

(8) The material is manufactured in accordance with a specification or drawing. Yes __ No __

If Yes, (i) the specification/drawing is in the possession of the offeror. Yes __ No __; and (ii) the offeror has stated the applicable information below, or forwarded a copy or facsimile to the contracting officer. Yes __ No __

Specification/Drawing Number _____

Revision (if any) _____

Date_____

(9) The material has been inspected for correct part number and for absence of corrosion or any obvious defects. Yes __ No __

If Yes, (i) material has been re-preserved. Yes __ No __; (ii) material has been repackaged. Yes __ No __; (iii) percentage of material that has been inspected is ____%; and/or (iv) number of items inspected is _____; and (v) a written report was prepared. Yes __ No __; and if Yes, the offeror has attached the written report or forwarded it to the contracting officer. Yes__ No__

The offeror agrees that in the event of award and notwithstanding the provisions of the solicitation, inspection and acceptance of the surplus material will be performed at source or destination subject to all applicable provisions for source or destination inspection.

The offeror has attached or forwarded to the contracting officer one of the following, to demonstrate that the material being offered was previously owned by the Government (offeror check which one applies):

___ For national or local sales, conducted by sealed bid, spot bid or auction methods, a solicitation/Invitation For Bid and corresponding DLA Disposition Services Form 1427, Notice of Award, Statement and Release Document.

___ For DLA Disposition Services Commercial Venture (CV) Sales, the shipment receipt/delivery pass document and invoices/receipts used by the original purchaser to resell the material.
___ When the above documents are not available, or if they do not identify the specific NSN being acquired, a copy or facsimile of all original package markings and data, including NSN, commercial and Government entity (CAGE) code and part number, and original contract number. (This information has already been provided in paragraph (c)(6) of this clause. Yes __ No __.)
___ When none of the above are available, other information to demonstrate that the offered material was previously owned by the Government. Describe and/or attach.

This only applies to offers of Government surplus material. Offers of commercial surplus, manufacturer's overruns, residual inventory resulting from terminated Government contracts, and any other material that meets the technical requirements in the solicitation but was not previously owned by the Government will be evaluated in accordance with the DLAD procurement note L04, Instructions to offeror for Part Numbers items.

If requested by the contracting officer, the offeror shall furnish sample units, in the number specified, to the contracting officer or to another location specified by the contracting officer, within 10 days after the contracting officer's request. The samples will be furnished at no cost to the Government. All such samples not destroyed in evaluation will be returned at the offeror's expense. The samples will be evaluated for form, fit, and function with subassembly, assembly, or equipment with which the items are to be used. End items furnished under any contract award to the offeror furnishing the samples can include the returned samples, and all acceptable end items will have a configuration identical to the samples. If specific tests of the samples' performance are made by the Government, the offeror will be furnished the results of such tests prior to a contract being entered into. In addition to any other inspection examinations and tests required by the contract, the performance of the end items will be required to be as good as that of the samples submitted.

In the event of award, the contractor will be responsible for providing material that is in full compliance with all requirements in the contract or order. The surplus material to be furnished must meet the requirements of the current contract or order, whether or not the material met Government requirements in existence at the time the material was initially manufactured or sold to the Government.
******

(b)(1) All offers for unused former Government surplus property will be evaluated and a $200 evaluation factor shall be applied. Solicitations shall include procurement note M05 unless there is a documented restriction for unused former Government surplus property. The procurement note is automatically included in automated solicitations.
*****

M05 Evaluation Factor for Unused Former Government Surplus Property (SEP 2016)

(1) All offers for unused former Government surplus property shall have a $200 evaluation factor.

(2) All offers for CSI require evaluation by the ESA(s). An evaluation factor of $600 shall be applied for coordination with each ESA.

(3) If the contracting officer cannot determine acceptability and coordinates with the ESA(s) on other than CSI, an evaluation factor of $600 shall be applied for each ESA.
*****

(2) The contracting officer shall evaluate offers for unused former Government surplus property. If additional information is required to make a determination of acceptability, the contracting officer shall allow the offeror 24 hours to submit the additional documentation. If the offeror fails to respond in a 24-hour period, the offer will be deemed unacceptable and evaluation will proceed to the next in line offer, unless it is the only offer. If the contracting officer requires technical assistance or the item is a CSI, they shall send a pre-award referral to the product specialist.

11.391 Part numbered items.

(a) Offers for part numbered items may be other than exactly stated in the PID due to a variety of reasons such as administrative changes, engineering changes, reverse engineering, obsolescence or manufacturing enhancements. Contracting officers shall coordinate with product specialists for the review of an offer other than exact product. The product specialist will update the Material Master in accordance with any change to part number. Solicitations and contracts shall include procurement note C01 when procuring part-numbered items.

*****

C01 Superseded Part Numbered Items (SEP 2016)

If an item part number is superseded during the term of this contract, the contractor shall advise the contracting officer immediately upon determination. The notice shall include complete information on the superseding item form, fit, function, configuration, application, or physical nature. The contracting officer will determine whether the item is acceptable to the Government, advise the contractor within seven days, and modify the contract accordingly.

*****

(b) Solicitations shall include procurement notes L04 and M06 when items are identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.

*****

L04 Offers for Part Numbered Items (SEP 2016)

(a) For part numbered items, identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.

Exact product ─applies to contract line-item(s) (CLIN(s)): _____

CAGE code _____ part number _____

Alternate product – applies to CLIN(s):

CAGE code _____ part number _____

Superseding part number – applies to CLIN(s): _____

CAGE code _____ part number _____

Identify reason for superseding part number:

Administrative P/N change only: Yes____ No____

Minor change/No change in configuration: Yes____ No____

Previously-approved product – applies to CLIN(s): _____

Contract or Solicitation Number: _____

CAGE code _____ part number _____

Correction to CAGE/Part Number – applies to CLIN(s) _____

CAGE code in error/same corporation, different division Yes ___ No___

CAGE code in error/sold to different corporation Yes ___ No___

Part number not recognized Yes ___ No___

Obsolete part number Yes ___ No___

Other Yes ___ No___

(b) Exact product means a product described by the name of an approved source and its corresponding part number cited in the item description; and manufactured by, or under the direction of, that approved source. An offeror of an exact product must meet one of the descriptions below.

(1) An approved source offering its part number cited in the item description;

(2) A dealer/distributor offering the product of an approved source and part number cited in the item description;

(3) A manufacturer who produces the offered item under the direction of an approved source; and has authorization from that approved source to manufacture the item, identify it as that approved source's name and part number, and sell the item directly to the Government.

(4) A dealer/distributor offering the product of a manufacturer that meets the description in subparagraph (3) above.

(c) Alternate product

(1) The offeror must indicate that an alternate product is being offered if the offeror is any one of the following:

(i) An offeror who manufactures the item for an approved source cited in the item description, but does not have authorization from the approved source to identify it as the approved source part number, and sell the item directly to the Government;

(ii) A dealer/distributor offering the product of a manufacturer that meets the description in (i) above;

(iii) An offeror of a reverse-engineered product that is not cited in the item description; or

(iv) An offeror whose product does not meet the criteria of exact product, superseding product or previously approved product.

(2) An offer of an alternate product is an alternate offer.

(d) The offeror must indicate that a superseding part number is being offered if the offered item otherwise qualifies as an exact product, except that the part number cited in the item description has been superseded due to an administrative part number change with no change in configuration of the item.

(e) The offeror must indicate that a previously-approved product is being offered if the product offered has previously been delivered to the Government or otherwise previously evaluated and approved.

(f) Correction to CAGE/Part Number Cited in the Item Description

Submitted by offeror to notify the Government if there is a CAGE code error: same corporation/different division; sold to different corporation; part number not recognized; obsolete part number; other.

(g) Traceability documentation.

(1) The contracting officer may request evidence of the technical acceptability of the product offered. The evidence must be submitted within 2 days, or as otherwise specified, or the offer will not be considered.

(2) For offers of exact product, offerors other than the approved manufacturing source must retain evidence and provide the traceability evidence of the identity of the item and its manufacturing source when requested by the contracting officer.

(i) If offered item(s) are not in stock or not yet manufactured a copy of an original quotation from the approved source to the offeror identifying exact item cited in item description and a quantity sufficient to satisfy the solicitation requirement.

(ii) If offered item(s) are shipped or in stock, a copy of invoice on approved source's letterhead; or a copy of packing slip which accompanied shipment from approved source to offeror. The invoices and packing slips must identify exact item cited in item description and a quantity sufficient to satisfy the solicitation requirement.

(iii) If the offeror is an authorized dealer/distributor, or manufactures the item for an approved source, a copy of the contractual agreement with, or the express written authority of, the approved source to buy, stock, repackage, sell, or distribute the part. The agreement must specifically identify the exact item, or otherwise ensure that the offeror is authorized by the approved source to manufacture or distribute the exact item being acquired. If the agreement covers a general product line or is otherwise not product-specific, the offeror must furnish additional documentation to address the exact item being acquired.

(iv) Other verifiable information.

(3) For superseding part number, the offeror may be requested to furnish evidence to establish that there are no changes in the configuration of the part.

(4) For previously approved products, upon request of the contracting officer, the offeror must furnish the contract, solicitation, source approval request (SAR) package, or letter of approval under which the product was previously furnished or approved.

(h) Alternate offer data.

(1) The contracting officer may request drawings, specifications, or other data necessary to clearly describe the characteristics and features of an alternate offer. Data submitted shall cover design, materials, performance, function, interchangeability, inspection or testing criteria, and other characteristics of the offered product. The contracting officer may also request drawings and other data covering the design, materials, etc., of the exact product cited in the item description if the Agency does not possess data sufficient to evaluate the alternate product. The data must be submitted within 10 days, or as otherwise specified, or the offer will not be considered.

(2) If the alternate product is a reverse-engineered product, the offeror shall provide: technical documentation to establish that the offered item represents the exact item specified in the item description (i.e., invoice from an approved source or submission of samples having markings of an approved source); number of samples that were examined; the process/logic used; raw data (measurements, lab reports, test results) used to prepare drawings or specifications for the offered item; any additional evidence that indicates the reverse-engineered item will function properly in the end item; and any evidence that life cycle/reliability considerations have been analyzed.

(j) Evaluation of Alternate Offers.

If the solicitation does not provide for evaluation of alternate offers for the current procurement, the offeror may submit a request for evaluation of the alternate product's technical acceptability for future procurements of the same item. The request for evaluation shall cite the national stock number (NSN) of the exact product and include the applicable level of technical data. The level of technical data that the Government has available for use to evaluate the acceptability of an alternate product offered, and the corresponding level of technical data that must be furnished with an offer of alternate product, will be identified in the item description and/or via correspondence with the appropriate location below.

(1) For solicitation numbers beginning with SPE7:
DLA Land and Maritime
Directorate of Procurement
Alternate offer monitor, BPP
Post Office (P.O.) Box 3990
Columbus, Ohio 43218-3990

(2) For solicitation numbers beginning with SPE4:
DLA Aviation
Office of the Competition Advocate
Attention: BPC
8000 Jefferson Davis Highway
Richmond, Virginia 23297-5100

(3) For solicitation numbers beginning with SPE1, SPE2, SPE3, SPE5, or SPE8:
DLA Troop Support
Attention: (see note below)
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5096
Note: The address (attention line) will change based on the 4th digit of the PIIN as follows:
SPE1 = Clothing and Textile (C&T)
SPE2 = Medical
SPE3 = Subsistence
SPE5 = Industrial Hardware (formerly Aviation or L&M detachments)
SPE8 = Construction and Equipment (C&E)

(4) For solicitation numbers beginning with SPRRA1 and SPRRA2:
Defense Logistics Agency – DLA Aviation

Office of the Competition Advocate
Building 5201
Redstone Arsenal, Alabama 35898

(5) For solicitation numbers beginning with SPRPA1:
DLA Philadelphia
Competition Advocate Office
700 Robbins Avenue Building 1
Philadelphia, Pennsylvania 19111-5098

(6) For Tank-Automotive and Armaments Command (TACOM) Depot Level Repairable (DLR) - DLA Land and Maritime solicitations beginning with SPRDL1:
Defense Logistics Agency
DLR Procurement Operations - ZG
6501 East Eleven Mile Road
Warren, Michigan 48397-5000

(7) For Communications-Electronics Command (CECOM) DLR-DLA Land and Maritime solicitations beginning with SPRBL1:
Defense Logistics Agency
DLR Procurement Operations - ZL
6001 Combat Dr., Rm. C1-301
Aberdeen Proving Ground, MD 21005-1846
*****

M06 Evaluation of Offers of Alternate Product for Part Numbered Items (SEP 2016)
Offers of alternate product will not be evaluated for the contract action if:
(1) The solicitation is automated;
(2) It does not meet the dollar threshold for savings, after an evaluation factor of $600 is applied for coordination with each ESA; or
(3) When the time proposed for award does not permit evaluation, and delay of award would adversely affect the Government.
*****

11.392 Traceability documentation.

It is critically important for contracting officers to be able to confirm a documentation trail from the supplier to the approved manufacturer. Contractors are required to make available and retain traceability documentation (see 4.703). Contracting officers shall request unredacted traceability documentation when there are potential indicators of risk such as:

Preaward traceability:

(i) The supplier has no past DLA history;
(ii) The price offered is lower than price of approved source or its authorized distributor;
(iii) The price offered is out of line with other quotes or past pricing history;
(iv) The price offered for new product is lower than price offered for surplus material;
(v) The manufacturer's Contractor and Government Entity (CAGE) code identified in offer differs from CAGE code of approved manufacturing source in solicitation;
(vi) The offeror/contractor is reluctant or unable to provide traceability documentation;
(vii) The offeror's/contractor's phone number, address, email, or other vital information is missing, invalid, or suspicious;
(viii) The contractor invoices without delivering the supplies;
(ix) Contractor is on the DCRL for traceability concerns.

Examples of acceptable preaward traceability documentation are found at http://www.dla.mil/LandandMaritime/Business/Selling/Counterfeit-Detection-Avoidance-Program/
Postaward traceability.

(i) If preaward traceability was required or when other circumstances are warranted;

(ii) Independent distributors and brokers that do not keep inventory and procure the offered product after contract award. The postaward documentation demonstrates the complete line of ownership before the product is shipped.

(iii) Protest is received questioning awardee's ability or intention to supply exact product. The contracting officer shall immediately request traceability documentation.

(iv) The contractor requests a modification changing the part number or other information related to its exact product representation.

(v) The contractor is on the DCRL for traceability concerns.

If the awardee does not have full traceability information, the contracting officer shall contact the product specialist to recommend that product verification testing be invoked using procurement note E05 (see 46.292).

The contracting officer determines the acceptability of traceability documentation and may request additional documentation necessary to support acceptability. When reviewing traceability documentation, special attention should be given to:

(i) The letterhead is correct and/or unaltered;

(ii) Signatures are legible and provided by authorized personnel;

(iii) There is no evidence of alteration, such as cutting and pasting/white out/scanning;

(iv) There are no missing documents;

(v) Dates are current;

(vi) Phone numbers are accurate;

(vii) Font styles are consistent;

(viii) There are no handwritten annotations on a typed document;

(ix) Line items reflect correct part numbers and quantities;

(x) Documents do not appear to have been reproduced repeatedly;

(xi) Documents do not have shaded areas, which may indicate information was covered up and the document recopied;

(xii) Correct division of manufacturing source is cited; or

(xiii) There are no disclaimers in the document (e.g., stating parts cannot be traced to the actual manufacturer or to any specific revision of the part, etc.).

If the offeror fails to provide sufficient information preaward within the time frame requested, the contracting officer shall consider the offer technically unacceptable and proceed to the next acceptable offer.

If the contractor fails to provide sufficient information postaward within the time frame requested, the award may be cancelled. If it is not in the Government's best interest to cancel the award, the contracting officer may contact the product specialist to recommend that product verification testing be invoked using procurement note E05 (see 46.292).

The contracting officer shall reject redacted traceability documentation and notify the offeror or contractor. In all cases, any traceability documentation provided by offerors or contractors shall be treated as proprietary information and stamped accordingly.

SUBPART 11.4 – DELIVERY OR PERFORMANCE SCHEDULES

11.401 General.

(a) Requirements are provided on the purchase request in EBS.

(b) Small purchase auto evaluation exclusions and rejections shall consider delivery in evaluation of quotes.

11.402-90 Time definite delivery (TDD) standards.

Customer direct requirements on planned direct vendor delivery (DVD) contracts shall meet the TDD standards. Contract delivery time frames shall align to one of the following supplier responsibility points.

	TDD Category		
Supplier Responsibility Points	CAT1	CAT2	CAT3
Offer of materiel (to DCMA or transporter)	1 day	2 days	3 days
Transporter carrier drop-off (at CONUS location)	4 days	7 days	11 days

Compliance with TDD standards shall be reviewed prior to option invocation and a waiver obtained prior to contract option invocation if supplier cannot meet the standards or cost to meet the standard is excessive.

Commercial industry standards exceeding TDD standards or excessive cost for TDD standards shall be discussed with and approved by customers and Planning. When the supplier's capability exceeds the standards, the contracting officer will coordinate with the requirements' personnel and negotiate delivery standards to meet the needs of DLA customers at the best value to the government. A waiver to TDD standards is not required for the exceptions in DLAD 11.402-91.

A business decision must be documented by an economic analysis, business case analysis, or vendor stock retention model analysis. The DLA Acquisition Programs Division oversees compliance with DLAI 2112, Procedures for Initiating and Monitoring Planned Customer Direct Long-Term Contracts by conducting quarterly reviews of all planned DVD contracts and reporting the findings to the HCAs and the DLA Acquisition Director.

11.402-91 TDD standards exclusions.

(a) Non-stocked (acquisition advice code (AAC) "J")
(b) Part numbered items or supplies with no NSN.
(c) Commercially available items. A maximum of three additional days may be added to the standards to support using commercially available delivery terms.
(d) Customer demand that exceeds the estimated annual quantity of the contract by 125%.
(e) Kitting items when the supplier must create a customized kit.

SUBPART 11.5 – LIQUIDATED DAMAGES

11.501 Policy.

(d) Request shall be submitted to DLA Acquisition Operations Division.

SUBPART 11.6 – PRIORITIES AND ALLOCATIONS

11.603 Procedures.

DLA Instruction 1211, Industrial Capability Program – Statutory and Regulatory Requirements, contains the specific DLA procedures.

SUBPART 11.7 – VARIATION IN QUANTITY

11.701 Supply contracts.

(b) Variation in quantity shall be based on commodity, stock or non-stock, unit of issue, and advice code.

SUBPART 11.90 – PRODUCT PHASE-OUT

11.9001 Notification of product phase-out.

(a) All solicitations shall include procurement note L05.

*****

L05 Notification to Government of Obsolescence and Diminishing Manufacturing (SEP 2016)

The offeror shall notify the contracting officer immediately upon determining the unavailability of obsolete materials or components. The offeror may recommend a solution.

*****

(b) All awards shall include procurement note C02 when materials or components may become obsolete.

*****

C02 Manufacturing Phase Out or Discontinuation of Production, Diminishing Sources, and Obsolete Materials or Components (SEP 2016)

The contractor shall notify the contracting officer immediately upon determining the unavailability of obsolete materials or components, manufacturing phase-out, or discontinuance of production of items under this contract. The contractor shall publish the discontinuance in the Government-Industry Data Exchange Program (GIDEP).

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PART 12 – ACQUISITION OF COMMERCIAL ITEMS

(Revised November 6, 2014 through PROCLTR 2014-09)

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SUBPART 12.1 – ACQUISITION OF COMMERCIAL ITEMS – GENERAL

12.102 Applicability.

(a)(90) Part 12 is mandatory for the acquisition of commercial items, except for the exemptions at FAR 12.102(e). There shall be appropriate coding in both EBS Eprocurement and EBS Non-EProcurement environments to indicate whether an item is or is not a commercial item. Once the KO has determined that the item is commercial, the contracting officer will provide the appropriate technical specialist with the commerciality documentation so that the commerciality coding can be updated in the electronic system for future procurements.

(a)(91) When an acquisition is conducted under the "AbilityOne" (see FAR Subpart 8.7), use of Part 12 is discretionary but strongly encouraged for commercial item acquisitions. The decision whether to conduct "AbilityOne" acquisitions using Part 12 can be based on cost-effectiveness, such as automated systems capabilities or other administrative considerations.

(90)(1)(i) Policy and guidance.

(A) The contracting officer, not the offeror or contractor, has the individual authority and responsibility to determine if an item or service meets the definition of "commercial item" at FAR 2.101.

(B) The statutory preference is to support commercial acquisition, unless a commerciality determination is clearly inappropriate. Contracting officers should consider whether applying commercial acquisition procedures would provide marketplace advantages resulting in lower overall costs to the Government; such as, for example, streamlined contractor proposal procedures, increased efficiencies for DLA, reduced customer wait times, increased buying leverage by joining a larger customer base, or access to improved acquisition strategies such as commercial distribution systems, contractor support services, or continuous upgrades.

(C) Contracting officers should not be unnecessarily restrictive in interpreting the commercial item definition. The normal sales pattern of an item could be that it is sold infrequently or only to a specialized market segment, and yet the item could still be considered commercial.

(D) Contracting officers must ensure that inappropriate factors are not considered when determining commerciality. A determination of commerciality is separate and independent from a determination of price reasonableness. Concerns about the future ability to determine offered prices fair and reasonable do not factor into the decision as to whether a product or service meets the commercial item definition.

(E) Issues related to quality or item criticality are also not a basis for determining commerciality. The fact that the Government has a different application for an item than the commercial application does not necessarily mean the item cannot be considered commercial. The Government must, however, minimize risk through such means as the application of quality assurance terms and conditions in the contract. For this reason, any contract requirements that have previously applied to an item should never be automatically relaxed or removed when an item is determined commercial. This is especially true for requirements involving issues such as quality, configuration control, preservation, packing, packaging, or marking. Therefore, prior contracting requirements shall not be changed unless market research has confirmed a change is appropriate and all procedures/controls for making such a change have been followed (e.g., coordination with the product specialist).

(F) The contracting officer must be able to demonstrate that the determination is reasonable; and the determination must be documented, consistent with the size and complexity of the acquisition. If a commerciality determination is challenged, GAO considers the broad statutory and regulatory framework for defining a commercial item, the requirements of a specific solicitation, the substantive features of the item proposed, and the agency's contemporaneous evaluation and source selection record.

(ii) The contracting officer makes the final determination of commerciality but is required to request and consider the advice of appropriate specialists (see FAR 1.602-2(c)). DCMA personnel can also provide assistance in obtaining information to help support the contracting officer's determination. If a requirement includes NSNs managed by another buying activity, the contracting officer must request and consider the advice of technical specialists at the managing activity. If technical advice from the managing activity is inconsistent with technical advice from the buying activity, the contracting officer must determine the reasons for the discrepancy and document how it was resolved. The contracting officer may make a determination of commerciality on the basis of that recommendation, unless there is some reason to question it. Buying activities are only required to conduct market research to the extent "appropriate to the circumstances," in accordance with FAR and DLAD 10.001-90.

(2) To determine that an item is commercial pursuant to the definition, the contracting officer shall obtain appropriate documentation as necessary, such as commercial product literature, technical opinion as to the effect of a modification, etc. The following guidance may be used when applicable with regard to the noted subsections of the definition:

(i) Subsection (2). For items that upgrade frequently, through product updates, model changes, and product improvements (for example, new versions of software), buying activities could demonstrate that the item will be available in time to satisfy the Government requirement by, for example, obtaining an announcement documenting when the new product will be available to the public.

(ii) Subsections (1) and (3). When making a determination of the commercial item definition, risk to the Government is lowest if the buying activity can obtain sufficient technical documentation to demonstrate direct traceability from the modified item. If that is not possible, the buying activity may attempt to demonstrate commerciality by documenting that the offeror or contractor manufactures the Government-unique items on an integrated production line, with little differentiation between the commercial and Government items. Alternatively, the buying activity may attempt to demonstrate

commerciality by documenting that the Government-unique item and comparable commercial items have similar characteristics and are made with similar manufacturing processes.

(A) To support a representation that an offered item, the commercial item definition, the offeror or contractor must demonstrate that a modification is of a type customarily available in the commercial marketplace. A modification can be a "major" modification. If an offeror or contractor claims their item meets the definition, the buying activity must conduct appropriate market research to confirm this. Modifications made for the purpose of meeting Federal Government requirements (i.e., Government-unique modifications) are not, by definition, "customarily available in the commercial marketplace."

(B) The offeror or contractor must demonstrate that a modification is a minor modification made for the Government. If an offeror or contractor claims a modification is minor, the buying activity must conduct an engineering analysis and/or exercise technical judgment to confirm this claim. his portion of the definition is intended to address modifications such as Government-unique paint color; special packaging; ruggedization; and minor changes in length, diameter, or headstyle of fasteners. In making a determination whether a modification is minor, the buying activity should consider the technical complexity of the change and the degree of risk associated with it. Risk can be gauged by the extent to which a change affects the contractor's operation and the price impact of the change. If the price of a modified item is significantly more than the price of the commercial item, this may indicate that the modification involves a substantial amount of risk and may not be minor.

(iii) Subsections (5) and (6). Services acquired by the Government do not have to be identical to those provided to commercial customers, if there are sufficient common characteristics between the commercial services and those required by the agency/activity. The established market price does not have to be published or written so long as it can be ascertained and documented as required by the definition. It is a current price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror. A price is based on a catalog or market price if the service being purchased is sufficiently similar to the catalog-priced or market-priced commercial service to ensure that any difference in prices can be identified and justified without using cost analysis.

(iv) Subsection (8). An item does not have to be developed at private expense to be commercial; except that nondevelopmental items must have been developed exclusively at private expense to be considered commercial. Even if the Government paid for development of an item, or if an item has a military origin, a commercial market can subsequently develop for that item. The issue of who paid for development should factor into the contract negotiations but is not part of the commercial item determination.

(3) Potential indicators of commerciality. The following guidance addresses some conditions that buying activities may consider as indicators that an item or service is potentially commercial. In most cases, buying activities will need to conduct additional market research to determine commerciality when these conditions exist.

(i) Commercial sales history.

(ii) Notices or brochures announcing new products or services.

(iii) Listing in catalogs or brochures.

(iv) Distributors. The existence of distributors may indicate an item or service is commercial. However, the contracting officer must determine the nature of the relationship between the manufacturer and the distributor, since some manufacturers use a distributor to handle Government sales. However, this does not necessarily mean the items or services are commercial.

(v) Components of commercial end items. If an end item has been determined to be commercial, many of the components of that end item are likely to be commercial. However, every component of a commercial end item cannot be presumed to be a commercial item. One way for the contracting officer to determine if all the components of a commercial end item can reasonably be considered commercial is to

determine the basis for the commerciality determination of the end item. If an end item is a commercially available off-the-shelf (COTS) item, the contracting officer could reasonably make a determination that all the components of that end item are commercial. Generally, however, information on the end item alone will be insufficient to determine commerciality of the components, and information will be needed on the components themselves. This information could include sales and technical data.

(vi) Prior agency or department determinations. When acquisition personnel have previously determined that an item or service meets the commercial item definition, buying activities should consider this a potential indicator of commerciality. The preference is to accept a prior determination of commerciality, unless there is a reason not to. However, buying activities must conduct market research, to the extent appropriate to the circumstances, to determine if a prior commerciality designation is relevant to the current buy. Some factors to be considered include the circumstances of the prior determination, the extent of market research conducted, and similarities between the current acquisition and the prior buy. Prior determinations of commerciality do not relieve contracting officers from their individual responsibility to make determinations of commerciality on current buys, based on market research appropriate to the circumstances. In some cases, previous determinations of commerciality may involve specific circumstances, and it cannot automatically be presumed the item is commercial for future buys.

(vii) Contractor/subcontractor determinations. Only the Government has the authority to determine if an item or service meets the commercial item definition at FAR 2.101. Buying activities should consider contractor or subcontractor determinations as potential indicators of commerciality and must conduct market research to an appropriate extent to determine if such a prior commerciality designation can be applied to a current buy.

(viii) Predominantly commercial facilities. When buying activities have evidence that an item is produced in a facility that is predominantly engaged in producing similar items for the commercial market, this should be considered a potential indicator of commerciality. Buying activities must conduct market research to an appropriate extent to determine if sufficient documentation can be obtained on which to base a commerciality determination. It cannot be presumed that all items in a predominantly commercial facility are commercial, because some facilities produce both commercial and Government-unique items that are manufactured independently. However, products manufactured on integrated production lines with little differentiation between the commercial and Government products can generally be considered commercial.

(4) Contracts must require that additions to catalogs are subject to a determination of commerciality.

(91) If a prospective contractor offers any item other than the exact approved item cited in the procurement item description (PID), the alternate item must be evaluated for technical acceptability. Quoters or offerors must comply with the requirement in FAR 52.212-1 to provide a technical description of the items being offered in sufficient detail to evaluate compliance with solicitation requirements.

(92) The contracting officer may negotiate the Part 12 terms and conditions into the purchase order or contract when the conditions described below apply. (This is not a solicitation amendment, because all parties receiving the synopsis notice and/or the solicitation had the same opportunity to identify and offer an alternate item, including a commercial item.)

(i) The solicitation was not issued in accordance with Part 12, because the agency had not identified any commercial items that could meet the Government's need (see FAR 10.002(d)(2)); and

(ii) An item is offered that is determined by the agency to meet the definition of commercial item at FAR 2.101 and to be technically acceptable in time for award under the instant acquisition.

(f)(1) The contracting officer is delegated the authority to make the determination that the acquisitions are to be used to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. This determination should be placed in the contract file.

SUBPART 12.2 – SPECIAL REQUIREMENTS FOR THE ACQUISITION OF COMMERCIAL ITEMS

12.207-90 Contract type.

(a) Indefinite-delivery contracts may also provide for economic price adjustment using a locally developed clause to set firm contract prices based on prevailing established catalog or market prices in accordance with FAR 16.501-2(c),

(b) See 16.601 (90) for additional requirements concerning use of time and material/labor hour CLINS, contracts, or task orders for commercial services.

12.208-90 Contract quality assurance.

(a) Reliance on contractors' quality assurance systems is preferred. However, other quality assurance practices, such as in-process, in-plant inspection for critical application or complex items, are considered consistent with customary commercial practice when market research indicates they are at least sometimes used in the industry for items that are the same as or similar to the ones being acquired

(1) When Government inspection and testing before tender for acceptance are determined necessary and cannot be considered consistent with customary commercial practices, the contracting officer may request a waiver in accordance with FAR and DLAD 12.302(c).

(2) When the Government needs to inspect before tender or deviate in any other way from FAR 52.212-4(a), Inspection/Acceptance, the contracting officer must tailor the solicitation/contract by attaching an addendum (see FAR 12.302(d)). If the tailoring invokes contract terms and conditions that are consistent with customary commercial practice; a waiver is not required in accordance with FAR 12.302(c). However, an addendum is still necessary to change the terms of the solicitation/contract. If FAR 52.212-4 is incorporated in the solicitation or contract reference with no addendum, the Government has only the rights explicitly stated in FAR 52.212-4(a) as written.

SUBPART 12.3 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES FOR THE ACQUISITION OF COMMERCIAL ITEMS

(Revised October 20, 2015 through PROCLTR 2015-12)

12.301 Solicitation provisions and contract clauses for acquisition(s) of commercial items.

(b)(3)(90) When FAR 52.213-1, Fast Payment, applies to an acquisition conducted using FAR Part 12, insert the clause at 52.212-9001.

(e) Discretionary use of FAR provisions and clauses. Pursuant to FAR 12.301 and 12.302, contracting officers must use their authority to tailor the standard FAR Part 12 terms and conditions as necessary to meet the Government's needs. See 12.208(90) concerning how to tailor FAR 52.212-4(a), Inspection/ Acceptance.) Subject to the procedures in FAR and DLAD 12.302, the contracting officer may –

(S-90) Include other DLAD provisions and clauses; and

(S-91) If necessary, make accompanying changes to the provision at FAR 52.212-1 and the clause at FAR 52.212-4.

(f) The DLA SPE has approved supplementation of the provisions and clauses in FAR Part 12 to require use of the following provisions and clauses, when applicable:

(90) 52.217-9006, Limitations on Surge and Sustainment (S&S) Investments, as prescribed in 17.9308(a), Solicitation and contract clauses.

(92) The provisions and clauses below, as prescribed in FAR 16.203-4(a), 16.506(a)-(f), and 17.208(c)(1). These terms and conditions are necessary to support certain DLA business practices, including long term contracts, prime vendor arrangements, and indefinite delivery contracts.

(i) FAR 52.216-2, Economic Price Adjustment – Standard Supplies, or a clause authorized in accordance with 16.203-3;

(ii) FAR 52.216-18, Ordering;

(iii) FAR 52.216-19, Order Limitations;

(iv) FAR 52.216-20, Definite Quantity;

(v) FAR 52.216-21, Requirements;

(vi) FAR 52.216-22, Indefinite Quantity;

(vii) FAR 52.216-27, Single or Multiple Awards; and

(viii) FAR 52.217-5, Evaluation of Options.

(93) The provision at FAR 52.215-20, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data, as prescribed in FAR 15.408(l); and the clause at 52.215-21, Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications, as prescribed in FAR 15.408(m).

(96) The provision at DFARS 252.209-7002, Disclosure of Ownership or Control by a Foreign Government, as prescribed in DFARS 209.104-70(b).

(97) The clause at 52.211-9005, Conditions for Evaluation and Acceptance of Offers for Critical Safety Items, as prescribed in 11.304-90(a).

(98) The clause at 52.211-9006, Changes in Contractor Status, Item Acquired, And/Or Manufacturing Process/Facility – Critical Safety Items, as prescribed in 11.304-90(b).

(99) The clause at 52.211-9007, Withholding of Materiel Review Board (MRB) Authority – Critical Safety Items, as prescribed in 11.304-90(c).

(100) Use of the clause at FAR 52.211-5, Material Requirements, as prescribed in FAR 11.304; and the clause at 52.211-9000, Government Surplus Material, and the provisions at 52.211-9003, Conditions for Evaluation of Offers of Government Surplus Material, and 52.211-9009, Non-Acceptability of Government Surplus Material, as prescribed in 11.304-91.

(101) The clause at 52.211-9010, Military Shipping Label (MSL) Requirements – MIL-STD-129P, as prescribed in 11.290(b).

(102) The clause at 52.211-9014, Contractor Retention of Traceability Documentation, as prescribed in 11.304-92.

(103) The clause at 52.247-9012, as prescribed in 47.305-1.

(104) The clause at 52.217-9017, Tailored Logistics Support Purchasing Reviews, as prescribed in 17.9508.

(105) The clause at FAR 52.232-17, Interest, as prescribed in FAR 32.617.

(106) The clause at FAR 52.242-13, Bankruptcy, as prescribed in FAR 42.903.

(107) The clause at FAR 52.242-15, Stop Work Order, as prescribed in FAR 42.1305(b)(1).

(108) The clause at 52.217-9002, Conditions for Evaluation and Acceptance of Offers for Part Numbered Items, as prescribed in 17.7501(b)(3)(i).]

(110) The provisions and clauses listed below, as necessary to support acquisitions of items that require first article testing:

(iii) 52.209-9017, First Article – Contractor Testing – Additional Requirements, and any applicable alternates, as prescribed in 9.308-1(a)(91)(ii)(A);

(iv) 52.209-9018, First Article – Government Test – Additional Requirements, and any applicable alternates, as prescribed in 9.308-2(a)(91)(ii)(A);

(v) 52.209-9019, Requests for Waiver of First Article Testing Requirements, as prescribed in 9.306(c)(1);

(vii) 52.209-9021, Drawing Approval Prior To Production, as prescribed in 9.306(c)(2)(ii); and

(viii) 52.211-9019, Reduced Delivery Schedule Applies When First Article Testing Requirements Are Waived, as prescribed in 9.306(f)(2) and 11.404-91.

(113) The clause at 52.211-9063, Unit Package Marking Requirement for Component Lead Finish, as prescribed in 11.291.

(114) The clauses at FAR 52.246-11, Higher-Level Contract Quality Requirement, 52.246-2, Inspection of Supplies – Fixed Price, and 52.246-9043, Higher-Level Contract Quality Requirement (Non-Manufacturers), as prescribed in 46.311.

(115) The clause at 52.246-9066, Documentation of Traceability, as prescribed in 46.490(c).

(116) The contracting officer shall insert clauses at 52.246-9085, Production Lot Testing – Government, as prescribed in 46.392(b)(2)(i), and 52.246-9086, Production Lot Testing – Contractor, or its Alternate I, as prescribed in 46.392(b)(2)(ii).

12.302 Tailoring of provisions and clauses for the acquisition of commercial items.

(a) Terms and conditions that can reasonably be presumed to have application in both government and commercial markets (e.g., shipping instructions for extreme climates) may be included in solicitations and contracts for commercial items without conducting additional market research.

(b)(3) When fast payment procedures are authorized (see subpart 13.3), contracting officers may revise the paragraph at FAR 52.212-4(i), Payment, as necessary to reflect fast payment procedures, which are authorized when specified conditions are met pursuant to the Prompt Payment Act and OMB Circular A-125.

(c) Tailoring inconsistent with customary commercial practice. Approval authority for waivers under FAR 12.302(c) is delegated to one level above the contracting officer.

(90) Contracting officers may delete from solicitations and contracts the portions of the provision at FAR 52.212-3 and the clause at FAR 52.212-5 that do not apply and replace them with applicable language, if any.

(92) Contracting officers must use their authority to tailor the standard FAR Part 12 terms and conditions as necessary to meet the Government's needs (see 12.301(e)).

SUBPART 12.4 – UNIQUE REQUIREMENTS REGARDING TERMS AND CONDITIONS FOR COMMERCIAL ITEMS

12.403 Termination.

(c) *Termination for cause.* The DLA activity shall report the termination via email to DLA HQ Acquisition Policy and Systems Division (J71) within three (3) working days after the termination is reported to FAPIIS. The email shall be sent to HQJ71.Reports@dla.mil and include the contract number, date and type of termination, any change, and date data was reported to FAPIIS.

SUBPART 12.5 – APPLICABILITY OF CERTAIN LAWS TO THE ACQUISITION OF COMMERCIAL ITEMS

12.504 Applicability of certain laws to subcontracts for the acquisition of commercial items.

(S-90) For the purposes of flowdown requirements pursuant to Part 12, Distribution and Pricing Agreements (DAPA) shall be treated as subcontracts (see the clauses at FAR 52.212-5(e) and 52.244-6(c)).

SUBPART 12.6 – STREAMLINED PROCEDURES FOR EVALUATION AND SOLICITATION FOR COMMERCIAL ITEMS

12.603 Streamlined solicitation for commercial items.

(a)(1) If the information necessary to prepare an offer exceeds the character space limitation of the synopsis format (see FAR 5.207(c), Item 17, Description), the information can be incorporated by referencing a source (e.g., home page or other Internet site) where the information is available for viewing.

PART 13 – SIMPLIFIED ACQUISITION PROCEDURES

(Revised October 20, 2015 through PROCLTR 2015-12)

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13.003 Policy.

(e) It is the policy of DLA that each contracting office shall use the automated solicitation, evaluation, and award processes to the fullest extent possible. Any requirements that are not satisfied as delivery orders against long-term contracting arrangements are candidates for automated procurement. Procedures for exclusions are as follows:

(i) *Exclusions from automated procurement*. Only those acquisitions that meet the following criteria are authorized to be excluded from automated procurement processes:

(A) Total dollar value exceeds the simplified acquisition threshold;
(B) Place of inspection code (PIC) equals 3 or 4;
(C) Essential national stock number (NSN) or material data is missing, to include:
(1) No approved sources on part number NSNs/materials;
(2) Acquisition method suffix code (AMSC) B, G, or T without basic document;
(3) No PIC; or
(4) No packaging data.
(D) Government-furnished material/property/tooling applies;
(E) First article testing applies;
(F) Items are flight safety critical;
(G) Items are life support equipment;
(H) Special data licensing agreements apply; or
(I) Document type equals one of the following:

(1) ZTAV – Order fulfillment;
(2) ZSFC – STORES/FAVORS customer direct;
(3) ZSFD – STORES/FAVORS DLA direct;
(4) ZN – Order fulfillment TAV processing (request for quote (RFQ));
(5) ZP – Order fulfillment procurement offset or RFQ;
(6) AN – Standard request for quote (RFQ); or
(7) Request for GP bid or RFQ.

(ii) *Process for authorizing additional exclusions*.

(A) *Approval level*. The HCA shall approve any exclusions other than those identified in 13.003(e)(i). Approval of the exceptions shall be in writing, and a copy of the exception to policy shall be kept in all contract files to which it is applicable. This authority is not delegable.

(1) Exclusion determinations shall include the following information:
(i) Point of contact;
(ii) Exclusion criteria: National stock number (NSN)/ federal supply class (FSC)/quality control code (QCC) or purchase request (PR);
(iii) Level of automation exclusion: Solicitation, evaluation, and/or award;
(iv) Exclusion code – See Appendix A, Automated Procurement Exclusion Codes;
(v) Duration of exclusion: temporary or permanent; and
(vi) Justification for exclusion.

(2) Implementation of approved exclusions. The HCA shall forward copies of the determination and justification to the Deputy Director, DLA Acquisition, J7, to the Procurement Systems Process Owner, J71, and to the automated solicitation/evaluation/award sub-process owner at DLA Land and Maritime for entry of the following data into the automated procurement exclusion tables:
(i) Federal supply class (FSC);
(ii) NSN;
(iii) Weapon system designator code;
(iv) Project code;
(v) Foreign military sales country code;
(vi) Special procedure code;
(vii) PR number;
(viii) Acquisition method suffix code (AMSC) and FSC combination;
(ix) Quality control code;
(x) Priority and project (all priority 01 and priority 02 and 03 with 999 required delivery dates are excluded agency-wide);
(xi) Advice code (2T or 2F are excluded agency-wide);
(xii) Precious metal indicator code – other than A, U, or null; and
(xiii) Document type.

(3) Reporting. Each contracting office shall submit a quarterly report providing status information and outcomes associated with their automated exclusions list as part of the DLA Acquisition Review & Analysis (R&A) metrics review.

(h) Only contracting officers have authority to award, modify, and terminate simplified acquisitions, including purchase orders and blanket purchase agreements. This authority shall not be delegated.

(S-90)(i) Manual acquisition procedures. Follow procedures in Table 13-1:

Table 13-1
Manual Procedures – Time to Award for Simplified Acquisitions Up to $150,000

Standardized Processes:
Manual Solicitations – (Do Not Re-Solicit "T" Solicitations)
Micro Purchase – Oral/Fax/Email/DIBBS RFX – Open/Close period for RFXs 7 Days

>$3,000 to Simplified Acquisition Threshold – Open/Close period for RFXs 10 Days
Reference Master Solicitation in lieu of selecting provisions
2579 –
ONLY on acquisitions >=$3,000 AND Unrestricted (dissolving special set asides may require additional coordination)
Quantity Increases – Proactively monitor work overview for quantity adjustments. If valid quotes have been received REJECT workflow.
Award Documentation –
First Time Buy <=$250 or <=$3000 With Buy History – Price Reasonableness Code is sufficient documentation that the Contracting Officer considers the price reasonable. Simplified Acquisition Award Documentation at 13.106-3(b) is not required but may be included in rare, exceptional circumstances.
First Time Buy >$250 or Actions >$3000 - <=SAT – Use Simplified Acquisition Award Documentation at 13.106-3(b). Select applicable price reasonableness determination, complete Narrative if required, and select any other applicable determinations. Complete Best Value Determination Narrative when awarding to other than lowest-priced, highest-scored offeror.
Referrals –
Will be processed in EProcurement. See EBS Procurement Job Aid – Records Management; Creating and Processing a Referral.
Awards –
Award Purchase Requests without clauses by referencing Master Solicitation for all orders that will not be administered by DCMA; except that clauses including mandatory fill-in requirements shall be selected.

(S-90)(ii) Elevation timeline for simplified acquisitions. Follow procedures in Table 13-2:

Table 13-2

Elevation Timeline for Simplified Acquisitions

PR Schedule	Action Officer	Action Item
1 Day After Solicitation Closes (For Automated "T" solicitations, take action after Auto Evaluation Status (AES) Block converts to "M" or "S.")	Contracting Officer	Review offers for acceptability and address any technical and/or supply issues. If issues cannot be resolved within 7 days, alert Supervisor. If ESA referral required, follow Non-Procurable Purchase Requisition (PR) Policy* If no quotes received, follow Non-Procurable PR Policy* If pricing or other issues cannot be resolved within 7 days, elevate.
7 Days After Solicitation Closes	Contracting Officer; Contracting Officer Supervisor	Contracting Officer: Elevate to Supervisor Supervisor: If unable to resolve, elevate to Division Chief by Day 15, and document file.
15 Days After Solicitation Closes	Division Chief	If unable to resolve, determine/facilitate resolution by Day 20, and document file.
20 Days After Solicitation Closes	Contracting Officer	Document file outlining actions taken, and award or follow Non-Procurable PR Policy* by Day 20.

Above steps should take no longer than 20 calendar days. The following blocks shall be completed and placed in the purchase order file once all parties complete their actions.

Contracting Officer Name	Signature and Date

Contracting Officer Comments (optional)	
Contracting Officer Supervisor Name	Signature and Date
Contracting Officer Supervisor Comments (optional)	
Division Chief Name	Signature and Date
Division Chief Comments (optional)	

*DLA Non-Procurable Purchase Requisition (PR) Cross-Process Policy Memorandum, CP-13-001, dated December 11, 2012 (available on eWorkplace, Logistics Operations (J3), Shared Documents, J3 Policies and Procedures, Cross Process)

SUBPART 13.1 – PROCEDURES

(Revised October 20, 2015 through PROCLTR 2015-12)

13.106 Soliciting competition, evaluation of quotations or offers, award and documentation.

13.106-2 Evaluation of quotations or offers.

(b) Evaluation procedures.

(S-90) Automated contract evaluation systems.

(i) The provision at 52.213-9008 shall be used in all automated solicitations valued at or below the simplified acquisition threshold that are to be evaluated under an automated contract evaluation system program. The terms of this provision are incorporated in the Master Solicitation for Automated Simplified Acquisitions.)

(ii) See 1.601-90(b)(3)(iv) and 1.602-2 for additional oversight, training, and documentation requirements for contracting officers whose electronic signatures are applied to fully automated awards generated by procurement systems that utilize automated solicitation, evaluation, and award processes to execute purchase orders.

(iii) HCAs shall perform an annual analysis to determine optimum percentage variance numbers for both competitive and non-competitive acquisitions by contracting office. The analysis shall outline the methodology and calculations utilized; and shall demonstrate that the percentages are optimal in terms of cost savings, number of automated awards, results of internal reviews, and workload impacts. HCAs shall submit their recommendations for establishment of new percentage variance numbers to DLA Acquisition J71 by January 31 of each year. The J71 Procurement Systems Process Owner will direct a system update to reflect the optimum variance percentage recommended by the HCA for price evaluation. If any interim

changes are required, an updated recommendation with supporting analysis must be submitted to DLA Acquisition J71.

(iv) *Past Performance Information Retrieval System – Statistical Reporting (PPIRS-SR).*

(*A*) PPIRS-SR classifications. Contractor classifications may be reviewed and analyzed utilizing the solicitation inquiry report on the PPIRS-SR Website: http://www.ppirs.gov/.

(*B*) The evaluation criteria as to how PPIRS-S determines delivery and quality classifications and the sources of the data can be found in the PPIRS Reference Material "PPIRS-SR Evaluation Criteria" on the PPIRS-SR Website: http://www.ppirs.gov/ppirsfiles/reference.htm.

(v) *Award justification*. The contract file shall be documented with the rationale supporting all award decisions (see 13.106-3(b)). The award decision shall demonstrate how paying more than low price reduces performance risk or otherwise benefits the Government. The extent of the award justification shall be commensurate with the price difference between the awardee and the lowest-price, highest-scored quoter.

(b)(3)(ii)(D)*(*S-91*)* First Destination Packaging (FDP) Program evaluation. Contracting officers shall follow procedures at 15.402(a)(S-90)(2) when the commercial packaging standard, American Society for Testing and Materials (ASTM) D3951 applies; and ensure the Government achieves appropriate savings by negotiating the price on manually-awarded acquisitions of all dollar values under the First Destination Packaging (FDP) program when the packaging standard changes from MIL-STD 2073-1 to ASTM D 3951 (see 11.201(c)(S-90)(1).) Negotiation efforts shall be commensurate with the value of the procurement.

13.106-3 Award and documentation.

(b) File documentation and retention. Contracting officers shall document the basis for award and determination of price reasonableness as follows:

Simplified Acquisition Award Documentation

Contracting officer:_____ PR#: _____

Basis for Award – Price Reasonableness Determination – FAR 13.106-3(a):

(Check as applicable and explain as needed*)

[ ] Fair and Reasonable – Adequate Price Competition – Manufacturer Competition

[ ] Fair and Reasonable – Adequate Price Competition – Dealer/OEM Competition

[ ] Fair and Reasonable – No Competition (single quote or noncompetitive price range)

[ ] Fair and Reasonable – Adequate Price Competition Among Providers of Services

- [ ] Commercial Item $_____per unit
- [ ] Market Research
- [ ] Federal Supply Schedule (FSS) Number: _____ FSS Price: $_____
- [ ] Independent Government Estimate
- [ ] Comparison of the proposed price with prices found reasonable on previous purchases
  - Contract: _____ Unit Price: $_____
  - Price Reasonableness Code (PRC) (if applicable) – DLAD 15.406-3(a)(11): _____
- [ ] Comparison of similar items: NSN: _____ Unit Price: $_____
- [ ] Contracting Officer's knowledge of the item
- [ ] Any other reasonableness basis (i.e. Informal Cost Breakdown, Set by law or regulation, or other FAR Part 15 procedures)

***Narrative:**

DFARS 217.7505 Sole Source Price Increase Certification:

Base price as adjusted in accordance with DFARS 17.7505 has increased by more than the percentage or dollar value permitted in DLAD 17.7505. [ ] Yes [ ] No. If "Yes," the price has been evaluated and justified. Required notification prior to award has been completed.

Best Value Determination: (Required if Awarding to Other Than Lowest-Price, Highest-Scored Quoter):

*Narrative:

Other Determinations: (Check as applicable and explain as needed*)
[ ] Procurement is a First Time Buy
[ ] Fast Pay applicable
  [ ] PR complies with Fast Pay requirements IAW FAR 13.402(a)-(f)
  [ ] FARS DEV at DLAD 13.402 applies FARS DEV Number: _____
[ ] First Destination Packaging (FDP) Considerations:
  [ ] No change in level of packaging from previous buy
  [ ] If level of packaging changed from Military to commercial, unit price was negotiated:
    [ ] Yes [ ] Savings in unit price realized: $/% _____ [ ] No savings realized
    [ ] No negotiation due to low potential savings (IAW DLAD 13.106-2(b)(3)(ii)(D)(S-91) or 15.402(a)(S-90)(2))
[ ] First Destination Tramsportation (FDT) Program Considerations:
  [ ] No negotiation conducted
  [ ] Unit price was negotiated [ ] Savings in unit price realized: $/% _____ [ ] No savings realized
[ ] SAM.gov checked; awardee not proposed for suspension/debarment or debarred IAW FAR 9.405(d)(4)
  Date SAM Checked: _____
  Contracting Officer's signature on the award document constitutes concurrence with all determinations made above.

13.106-90 Other solicitation issues.
(a) The provision at 52.213-9001, Evaluation Factor for Source Inspection, shall be inserted in all simplified acquisition solicitations. Use the provision with its Alternate I in all solicitations for contracts under which multiple orders may be placed, such as a long-term contract (LTC).
(c) Unsolicited quotations need not be evaluated except when it is feasible and practicable to do so in order to satisfy requirements at FAR 13.104 to provide for maximum practicable competition; or to consider alternate offers to provide competition for sole source items (see 17.7501(b)(4)).

SUBPART 13.2 – ACTIONS AT OR BELOW THE MICRO-PURCHASE THRESHOLD

13.201 General.
(g)(1) For other than purchase card acquisitions, the authority is delegated to the contracting officer to determine that supplies or services will be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. For purchase card acquisitions, the determination authority is delegated to the HCA; or, when J7 is the HCA, to the CCO. The billing official and cardholder shall obtain written pre-approval. The basis for the determination shall be documented in the contract file. Combining the authorities on a single procurement to take advantage of the most favorable aspects of each authority is not allowed. The contracting officer shall comply with the requirements of the specific authority used.

13.270 Use of the Governmentwide commercial purchase card.
(a) DLA contracting offices shall use the Government-wide commercial purchase card as the method of purchase and/or payment for purchases valued at or below the micro-purchase threshold for commercial supplies or services to the maximum extent practicable.
(1) Those micro-purchases shall be accomplished by designated, trained Government purchase card holders with oversight by an appointed billing official, in accordance with the DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs, as supplemented by DLA Instruction (DLAI) 2106, Government Purchase Card.

(i) Billing officials and cardholders shall be designated by a Level 4 agency/organization program coordinator via the Department of Defense (DD) Form 577 and letter of appointment.

(ii) The authority for appointment of Level 4 agency/organizational program coordinators has been delegated by the Director, DLA to the HCAs. For contracting offices not designated as "contracting activities" (see 2.101), the Director, DLA Acquisition (J7), as HCA, has delegated this authority to the Directors, Commanders, or Administrators of those offices. This authority is delegable, without power of redelegation to the CCO.

(2) A purchase shall only be excepted from the requirement at 13.270(a) if, in accordance with DFARS 213.270 (b)(1), a written determination is approved for a source or sources and the file documented. A contracting officer may then award a purchase order. The authority for award, modification, and termination shall not be delegated by the contracting officer.

(3) DLA Aviation and DLA Troop Support may request support for their purchase card program through the DLA Contracting Services Office (DCSO). The DCSO CCO will then appoint the Level 4 agency/organizational program coordinator.

SUBPART 13.3 – SIMPLIFIED ACQUISITION METHODS

(Revised November 5, 2014 through PROCLTR 2015-06)

13.301 Governmentwide commercial purchase card.

(S-90) Issuance of a Government-wide Commercial Purchase Card (GPC) constitutes authority to make micro-purchases (see FAR 1.603-3(b)). This procurement authority is issued in accordance with the procedures in Directive-Type Memorandum (DTM) 13-001, Government Purchase Card, dated December 13, 2013; and is not subject to the limitation on delegation of authority for selection, appointment, or termination of contracting officer authority or the contracting officer review program at 1.603-1(S-92). The GPC may be used as a method of purchase and/or payment for purchases and orders under existing indefinite delivery/indefinite quantity contracts and for other contracts when the contract authorizes its use as an ordering/payment method.

(S-91) se of On-Base AbilityOne Stores, the AbilityOne Website, and DOD EMALL for Government Purchase Cardholders (GPCHs).

(1) In accordance with FAR Subpart 8.7, GPCHs shall purchase AbilityOne items (supplies and/or services) when available. Non-AbilityOne items may be purchased from the on-base AbilityOne store and other AbilityOne sources only if the items are in stock. GPCHs will acquire items from on-base AbilityOne stores and the AbilityOne Website at http://www.abilityone.com.

(2) If the conditions in 13.301(S-91)(1) cannot be met, GPCHs shall use DOD EMALL, except as provided in (i) or (ii) below:

(i) If the GPCH determines the item is not available on DOD EMALL or from other AbilityOne sources, the GPCH may procure from other authorized sources (see FAR Part 8).

(ii) The Hierarchy Level 4 Agency/Organization Program Coordinator (HL4 A/OPC) may grant the Billing Official the authority to waive the requirement to use DOD EMALL when one or more of the circumstances identified in (A) through (C) applies. The waiver shall be documented using the DOD EMALL Waiver format at 53.9013(e).

(A) Use of DOD EMALL would not meet the delivery requirements;

(B) Use of DOD EMALL would result in unreasonable or excessive cost to the requiring activity;

(C) Use of DOD EMALL would violate requirements for use of mandatory sources.

(3) GPCHs using the exception at 13.301(S-91)(2)(i) shall identify the non-availability of requirements that cumulatively exceed $3,000 per fiscal year to the DOD EMALL Program Office to have the requirement identified for inclusion on DOD EMALL, using the following email address:

EMALLAnalytics@dla.mil. The GPCH shall retain evidence of non-availability ("Print Screen" from DOD EMALL) and a copy of the email to the DOD EMALL Program Office in the transaction file.

13.302-2 Unpriced purchase orders.
(S-90) The requirements of DFARS Subpart 217.74 and DLAD Subpart 17.74 shall be followed for all unpriced purchase orders issued by DLA contracting offices.

13.303 Blanket purchase agreements (BPAs).

13.303-2 Establishment of BPAs.
(c)(3)(S-90) BPAs with federal supply schedule (FSS) contractors for non-FSS items shall contain a statement that the BPA excludes all items on FSSs. BPAs with an FSS contractor for items on an FSS shall be consistent with the provisions of the applicable FSS; the terms of the BPA should be limited to a simplification of purchasing techniques, such as placement of calls orally and provisions for submitting monthly consolidated billings.

13.303-3 Preparation of BPAs.
(a)(1) The maximum aggregate amount, if any, of all calls to be issued against one BPA shall be prescribed by the HCA.

13.307-90 Forms.
(a) DLA Form 1224, Shipping Instructions, may be used to issue automated calls made under a BPA.

13.390 Indefinite delivery purchase orders (IDPOs).
(a) An IDPO is a simplified acquisition procedure that applies indefinite delivery contract concepts to a procurement action not exceeding the simplified acquisition threshold; or, for acquisitions subject to FAR Subpart 13.5, not exceeding $6.5 million ($12 million for acquisitions as described in 13.500(e)). Use of an IDPO is appropriate when repetitive low dollar value purchases are made for the same item; the price of the item is expected to be stable; and expected yearly or other long–term demands are not sufficient to establish an indefinite delivery contract. An IDPO establishes a firm commitment that the contractor will perform under subsequent orders issued at the purchase order price for a definite period for an indefinite quantity of supplies. The decision to establish an IDPO shall be made by the contracting officer in coordination with the customer. Only one IDPO shall be established per item; except that multiple IDPOs for the same item may be awarded if the awardee's performance under each IDPO is limited to a separate and distinct region or physical location as specified in each IDPO.
(b) Only a warranted contracting officer shall award an IDPO and, as necessary, execute modifications or terminations. The contracting officer may designate a Contracting Officer's Ordering Representative (COR) for one specific IDPO with authority to only issue orders.
(c) Order numbering. IDPO orders shall be numbered in accordance with the uniform procurement instrument identification numbering (PIIN) system (see DFARS 204.7003). The initial purchase order and subsequent orders shall be include a "D" in the ninth position and, when the system permits, insert a "5" in the tenth position of the PIIN. The initial purchase order shall be numbered with supplemental PIIN number 0001. Subsequent orders shall be serially numbered with supplemental PIIN numbers 0002 through 9999.

(d) Clauses for IDPOs.
(1) Insert the clause at 52.213-9010, Indefinite Delivery Purchase Order (IDPO) Evaluation, in solicitations for IDPOs.

(2) Insert the clause at 52.213-9011, Indefinite Delivery Purchase Order (IDPO) Agreement – Unilateral, in solicitations and awards when the contracting officer intends to determine the method of purchase that is in the best interest of the Government for a subsequent requirements, either by ordering against the IDPO or issuing a new request for quotes. When using 52.213-9011, include the clauses at FAR 52.216-19, FAR 52.216-22, and DFARS 252.216-7006.

(3) Insert the clause at 52.213-9012, Indefinite Delivery Purchase Order (IDPO) – Bilateral, in solicitations and awards when the contracting officer intends to establish a binding contract without obligation to place future orders against the IDPO. When using 52.213-9012, include the clauses at FAR 52.216-19, 52.216-22, 52.232-23, 52.243-1, and 52.249-8 and DFARS 252.216-7006 and 52.243-7001.

SUBPART 13.4 – FAST PAYMENT PROCEDURE

(Revised October 20, 2015 through PROCLTR 2015-12)

13.402 Conditions for use.

(a) The following deviations apply:

(S-90) FARS DEV 2013-09, Class Deviation from FAR 13.4, Fast Payment Procedures, on Individual Orders Up to $100,000 Issued Against Prime Vendor and Other Long-Term Contracts Requiring Customer Direct Delivery, expires September 30, 2014.

(S-91) FARS DEV 06-05, One-Time Deviation from FAR 13.4, Fast Payment Procedures, for Contracts and Orders Resulting from Solicitation SPM4A2-06-R-0002, Compressed Gases and Cylinders Under BRAC Commodity Management Privatization Recommendation #175, expires October 19, 2016.

(S-92) FARS DEV 06-06, One-Time Deviation from FAR 13.4, Fast Payment Procedures, for Contracts and Orders Resulting from Solicitation SPM4A2-06-R-0001, Chemicals and Packaged Petroleum, Oils, and Lubricants Under BRAC Commodity Management Privatization Recommendation #175, expires October 19, 2016.

(S-93) FARS DEV 06-07, One-Time Deviation from FAR 13.4, Fast Payment Procedures, for Contracts and Orders Resulting from Solicitation SPO7002-06–R-7022, Land Tires under BRAC Commodity Management Privatization Recommendation #175, expires October 19, 2016.

(S-94) FARS DEV 06-08, One-Time Deviation from FAR 13.4, Fast Payment Procedures, for Contracts and Orders Resulting from Solicitation SPO7002-06-R-7023, Aircraft Tires under BRAC Commodity Management Privatization Recommendation #175, expires October 19, 2016.

(f)(1) Contracting officers shall comply with the following mandatory post-payment reconciliation procedures to ensure documentation of evidence of contractor performance:

(A) *Populations of fast payment transactions that require reconciliation.*

(*1*) A statistically valid sample of transactions valued up to $100,000 ($200,000 for OCONUS subsistence); or

(2) Every non-subsistence transaction valued over $100,000 ($200,000 for subsistence).

(B) *Sampling methodology*. The DLA Office of Operations Research and Resource Analysis (DORRA) compiles a quarterly sample of fast payment transactions using DCAA "E-Z Quant" and loads the data on the Joint Lessons Learned Information System (JLLIS) at https://www.jllis.mil/dlaf for access by the contracting offices.

(C) *Reconciliation process.*

(1) Reconciliations shall be performed by each contracting office on a quarterly basis beginning with the start of the fiscal year.

(2) Once the sample data are available on JLLIS, contracting officers shall perform receipt validation on each of the transactions in the sample. Reconciliation consists of comparing receipt documentation (receipt acknowledgement or receiving report) with contracting (purchase order or requisition) and accounting and payment data (invoice).

(*3*) The preferred method of receipt verification is the Material Receipt Acknowledgement (MRA). Transactions with discrepant MRAs must be further researched to determine whether the customer received the items. When an MRA is not available, contracting officers may validate receipt based on a Receiving Report in Wide Area Work Flow (WAWF), proof of delivery (POD) from the contractor or transporter, acknowledgement of receipt by the requisitioner, or other documentation verifying that the customer has received the material. For the portion of the sample population that required validation by means other than the MRA, contract files must include copies of documentation obtained to verify customer receipt.

(D) *Reporting of reconciliation results*. Each contracting office shall submit quarterly reports to J71 within 60 days after DORRA posts the fast payment transaction data for the subsequent verification period but not earlier than May 15 for Quarter 1 data, August 15 for Quarter 2 data, November 15 for Quarter 3 data, and February 15 for Quarter 4 data. Reconciliation reports shall identify the method of receipt validation.

(1) If the reconciliation exposes discrepancies between customer receipts and supplier invoices or system-generated receipts in more than 5 percent of the sample, an additional sample, of the same size as the original group subjected to reconciliation and excluding the transactions previously sampled, shall undergo the verification process. If more than 5 percent of this second sample is also discrepant, J7 may require verification of additional or all transactions.

(*2*) Consideration should be given to increasing the sample size or performing a 100% review for suppliers/customers with a problematic record.

(E) *Analysis of reports and oversight.* J71 shall review the quarterly reconciliation reports for negative trends and assess the need for potential corrective actions. Proper application of fast payment procedures and contract file documentation shall be a part of all regular procurement management reviews.

(S-92) Fast payment procedures shall not be used for—.

(1) Transactions greater than $100,000, with the exception of transactions for tires, OCONUS subsistence, and OCONUS medical;

(2) DLA Direct shipments, except for OCONUS stock buys supporting forward stock locations (FSL) initiatives when destination inspection and acceptance applies.

(3) Customer Direct shipments when Government source inspection is required or when subsistence requirements are shipped through a consolidation point prior to shipment overseas; except for shipments that go through a consolidation point (see 25.7302-90) when requirements for use of fast payment procedures are otherwise satisfied .

13.404 Contract clause.

(90) When fast payment procedures apply to an acquisition conducted using FAR Part 12, the contracting officer shall insert the clause at 52.212-9001.

SUBPART 13.5 – TEST PROGRAM FOR CERTAIN COMMERCIAL ITEMS

13.500 General.

(S-90) The authority to use FAR 13.5 is in effect until January 1, 2015. The following requirements apply:

(1) *Market research*. Market research shall be performed for acquisitions with an estimated value in excess of the SAT. Market research can be conducted by reviewing previous procurements, conducting Internet searches, and/or contacting potential sources of supply. Use the Commercial Item Pre-Solicitation Memorandum for Record (MFR) at 13.500(S-91), Part I – Market Research, to document all market research efforts in order to comply with this requirement. When the acquisition exceeds $1,000,000 in

value, the file shall include written documentation that the commercial item definition has been met and the procedures at DFARS PGI 212.102(a) were followed (see DFARS 212.102). Use the Commercial Item Pre-Solicitation MFR at 13.500(S-91), Part II – Commerciality Determination, to document compliance with these requirements. Acquisitions that exceed $1,000,000 shall be approved at one level above the contracting officer when the commerciality determination is based on FAR 2.101(1)(ii), (3), (4) or (6) (see DFARS 212.102(a)(i)(C)). Procurements for depot level reparables do not require completion of this form, as market research/commercial item determinations are executed by the Military Services.

(2) *Small Business Coordination*. Complete DD Form 2579 or comparable small business documentation and forward to the Small Business Office/Small Business Specialist for concurrence. A Blanket DD Form 2579 for sole source acquisitions (items with Acquisition Method Code (AMC) of 3 and only one approved manufacturing source in item description) can be used for proposed procurements valued $650,000 or less, which may be solicited without individual review of the DD Form 2579.

(3) *Acquisition Planning*. Use the Commercial Item Pre-Solicitation MFR at 13.500(S-91), Part III – Contract Type (FAR 7.103(d)), Part IV – Consolidation/Bundling, and Part V – Past Performance Evaluation.

(4) *Justification for Other Than Full And Open Competition*. A Justification and Approval (J&A) is required only for sole source acquisitions. The contracting officer may approve the J&A for acquisitions valued less than $650,000. Competition Advocate approval is required for acquisitions valued $650,000 - $12,500,000, and the J&A must include a completed Commercial Item Pre-Solicitation MFR (see 13.500(S-91).) Legal review is required on all J&As for acquisitions valued over the simplified acquisition threshold.

(5) *Synopsis*. Synopsis is required.

(i) A period of less than 15 days may be established for issuance of the solicitation after synopsis in the FedBizOpps (see FAR 5.203(a)). In an effort to reduce administrative lead-time (ALT), a period of 5 days is recommended, as applicable to procurement situation.

(ii) A period of less than 30 days may be established for the solicitation response time. In an effort to reduce ALT, a solicitation response time of 10 days is recommended. The response time shall afford offerors a reasonable amount of time to respond (see FAR 5.203(b)). If the item is competitive, the solicitation response time is less than 30 days, and only one quote is received, the contracting officer shall re-solicit for a period of 30 days or request a waiver from the HCA to proceed with award.

(iii) *EProcurement Users*. Follow guidance at 13.500(S-92), RFQ Procedures in EProcurement. This is the SRM version of the Combined Synopsis/Solicitation, which should be posted for maximum of 10 days.

(iv) Streamlined Procedures for Evaluation and Solicitation for Commercial Items may be used (see FAR 12.603(b)).

(6) *Issuance of Solicitation*. A Request for Quotation will generally be used to solicit quotations for commercial items up to $6,500,000. In EProcurement, follow guidance at 13.500(S-92), RFQ Procedures in EProcurement.

(7) *Evaluation and Award*. Use procedures in FAR Part 13 to the maximum extent practicable when evaluating quotations. Use of FAR Part 15 is at the discretion of the contracting officer.

(i) Price and Award Justification. An explanation of the basis for the award decision should be tailored to the size and complexity of the acquisition. It must include a brief description of the procedures used in awarding the contract and the number of offers received. It must adequately explain and support price reasonableness. This can be documented using the Commercial Item Pre-Solicitation MFR at 13.500(S-91). Procedures at DLAD 13.106-3(b) may be used to document pricing.

(ii) Determination of Responsibility (See FAR 9.1). Documentation of award decision and Determination of Reasonability can be accomplished on the Commercial Item Pre-Solicitation MFR at 13.500(S-91).

(iii) Subcontracting Plans (see FAR 19.704). Required for large businesses for acquisitions valued greater than $650,000.

(iv) Award Preparation. Use SF Form 1449 for awards. Prepare bilateral purchase order for all SEPA acquisitions that were solicited orally.

(8) *Mandatory FPDS Coding*.

(i) EProcurement Users – Enter the following in the FPDS Data tray of the Header tab:

(A) Block "10H" Commercial Item Acquisition, choose "A" – Commercial Item.

(B) Block "10J" Commercial Item Test Program, choose "Y" – Commercial Item Test Program – Acquisition uses FAR 13.5 for Certain Commercial Items.

(ii) Non-EProcurement Users – Code the fields "Commercial Item Acquisition Procedures" and "Commercial Item Test Program" in the contract-writing system; or in FPDS when completing the Contract Action Report (CAR) (see "Competition Information").

(S-91) Commercial item pre-solicitation documentation memorandum for record (MFR).

MEMORANDUM FOR RECORD

COMMERCIAL ITEM PRE-SOLICITATION DOCUMENTATION (FAR 10.002, 2.101, 13.5)

Commercial Test Procedures Under 13.5 are Applicable.
Market research was conducted prior to solicitation.
Solicitation #_____, NSN(s)_____, Item _____
Part I – Market Research
Check applicable block(s) for technique(s) used to conduct market research and determine commerciality:
( ) Commercial-Off-the-Shelf Field is coded ____ (attach supporting documentation, including review of Material Master in SAP);
( ) Reviewed results of recent market research undertaken to meet similar or identical requirements;
( ) Queried Government-wide database of contracts and other procurement instruments intended for use by multiple agencies available at https://www.fpds.gov and other Government and commercial databases that provide information relevant to agency acquisitions;
( ) Reviewed catalogs and other generally available product literature published by manufacturers, distributors, and dealers or available on-line; or
( ) Contacted knowledgeable individuals in Government and industry regarding market capabilities to meet requirements.
Part II – Commerciality Determination
Please check to indicate completion:
( ) In accordance with FAR 10.002(b) and FAR 2.101, Definitions, a review has been conducted of the item description(s) to determine if commercial items or non-developmental items are available to meet the Government's needs or could be modified to meet the Government's needs. The items are deemed commercial based on the above market research.
Part III – Contract Type
Please check to indicate the type of contract
( ) FFP ( ) FFP with EPA
Part IV – Consolidation/Bundling
Please check to indicate if Consolidation or Bundling is applicable:
( ) Consolidation (Please see attached report/determination)
( ) Bundling (Please see attached report/determination)
Part V – Past Performance Evaluation
( ) Past Performance applicable
( ) Past Performance is not appropriate due to:

CONCLUSION:
Based on the market research conducted, item(s) to be solicited against subject solicitation are determined to be commercial.
APPROVALS:

_____ _____
Contracting Officer Date

(S-92) Commercial evaluation/award documentation.

MEMORANDUM FOR RECORD

SUBJECT: COMMERCIAL ITEM AWARD DETERMINATION UNDER TEST PROGRAM (FAR SUBPART 13.5)

Part I
Determination of Responsibility: The awardee [*insert CAGE Code*] is hereby determined responsible.
Part II
Price is determined fair and reasonable based on:
___ Adequate competition

If only one response was received, price is determined fair and reasonable based on (insert narrative below):
___ Market Research
___ Comparison of proposed price with prices found reasonable on previous purchases
___ Current price lists, catalogs, or advertisements. (Inclusion of price in price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price.)
___ Comparison with similar items in a related industry
___ Contracting officer's personal knowledge of item being purchased
___ Comparison to independent Government estimate OR
___ Any other reasonable basis.

Additional Remarks:

Part III
Award Justification: [*Insert narrative*]

APPROVALS:
_____ _____
Contracting Officer Date

(S-93) RFQ Procedures in EProcurement. The contracting officer should address the same situations that apply to a non-commercial procurement (e.g., part number, critical item, configuration control, stock item, SBSA, PPIRS-SR, etc.). Use the SF 1449 to solicit commercial acquisitions. The only difference in soliciting is that the contracting officer must include commercial clauses.

(1) In Document Builder under the Header Tab, change Doc Selection to ZRFPCOM (for solicitation) and type in information.

(2) On Dialog Tab, select "Solicitation Type" under Document data group. Change Solicitation Type to Request for Quote (Part 12, Commercial or Request for Proposal (Part 12, Commercial). This option can be selected from the drop down menu.

(3) Click "Next" to move to "Select Solicitation Form," and select SF 1449 from drop down menu.

(4) Click "Next" to move to "Selection Criteria," and select Part 12 (Commercial) any Dollar Value. This selection can be made from the drop down menu.

(5) Click "Next" to move to "Overprints," and select any applicable overprints. Please note there are no overprints for commercial.

(6) Click "Next" to move to "Provisions and Clauses," and select appropriate clauses.

(7) Click "Next" to move to "Government Fill-ins."

(S-94) FAR 13.5 procedures.

FAR 13.5 Procedures
For Acquisitions Exceeding the SAT But Less Than $6,500,000
(Document file in accordance with FAR 13.501(c).)

Standardized Processes	Days
Market Research and Commercial Item Determination Memorandum Required (FAR 10.001(a)(2)(ii), FAR 10.002, DFARS 212.102) – Conduct market research via review of prior buys, Internet, and/or phone calls to potential sources. Complete MFR "MEMORANDUM FOR RECORD" (DLAD 13.500(S-91))	1
DD2579 – Required (DFARS 219.201) – Complete and send to Small Business Office.	2
Acquisition Plan- Not required per DFARS 207.103 but input into Milestone Tracker.	1

o Complete MFR "MEMORANDUM FOR RECORD" (DLAD 13.500(S-91)) 1. Document selection of contract type (FAR 7.103(d)) 2. Past Performance should be evaluated unless Contracting Officer documents the reasons why past performance is not an appropriate evaluation factor. 3. Bundling/consolidation need to be addressed if prior procurements were single NSN and requirement now combines multiple NSNs.	
Justification for Other Than Full and Open Competition – Required for non-competitive acquisitions (FAR 13.501, FAR 6.302, DFARS 206.302). Complete and have signed at appropriate level (<$650K, Contracting Officer; >$650K, Competition Advocate).	2
Higher Level/Legal Reviews – Documents below SAT remain at KO Level for review/approval	
Synopsis/Solicitation: Required. (FAR 5.201, 12.204(b), 12.205(c)	10 (max)
This may be accomplished through 2 methods- o (1) Synopsize in FedBizOpps. Recommend 5 days, but may shorten. Call suppliers for offers, allowing maximum of 5 days to respond to oral RFQ; OR o (2) Issue combined synopsis/solicitation for maximum of 10 days. In EProcurement, use "RFQ Procedures in EProcurement" (DLAD 13.500(S-93)). O NOTE 1: If acquisition is covered by World Trade Organization Government Procurement Agreement or Free Trade Agreement, longer synopsis times are required. O NOTE 2: If only one offer received when competitive procedures are used, comply with DFARS 215.371-2. O NOTE 3: Subcontracting Plans required for large businesses for acquisitions >$650,000.	
Evaluating and Awarding: Use FAR Part 13 procedures to maximum extent (FAR 12.203, 12.209, 13.106-2, 13.106-3). Use of FAR Part 15 is at discretion of Contracting Officer.	1
o Ensure offers meet terms and conditions of RFQ (FAR 13.106-2). O Evaluate past performance (unless waived). O Evaluate pricing IAW FAR Part 13 o Negotiate if necessary. If Reverse Auction conducted, 2 days may be extended to 5 days. O Document pricing on same basis as procurements valued between $25,000 and $150,000 (DLAD 13.106-3(b)). O Document award decision/Determination of Responsibility (FAR 9.1, FAR 9.105-2, DFARS 209.1, DFARS PGI 209.1) on Commercial Item Pre-Solicitation MFR (DLAD 13.500(S-91). O Complete award document; use SF1449, and insert commercial clauses: o If solicited orally, develop bilateral purchase order; o If solicited via RFQ, develop unilateral purchase order.	1 3 2 2 2 2
TOTAL	29

PART 15 – CONTRACTING BY NEGOTIATION

(Revised October 2, 2016 through PROCLTR 2017-01)

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SUBPART 15.3 – SOURCE SELECTION

15.303 Responsibilities.

(a) For acquisitions valued at $1 billion or greater, the appointed Source Selection Authority (SSA) shall be at the Senior Executive Service/General Officer/Flag Officer (SES/GO/FO) level. For acquisitions greater than or equal to $100 million and less than $1 billion, the HCA is authorized to appoint the SSA. The HCA may delegate SSA appointment authority no lower than the Chief of the Contracting Office. For acquisitions estimated between $10 million and $100 million, the SSA will be the contracting officer unless the HCA or the delegee appoints someone else.

(c)(3)(i) Solicitations must include procurement note L08 to advise offerors when Past Performance Information Retrieval System-Statistical Reporting (PPIRS-SR) application will be used in the evaluation of suppliers' past performance for best value source selections valued under $10 million.

*****

L08 Use of Past Performance Information Retrieval System—Statistical Reporting in Past Performance Evaluations (OCT 2016)

(1) The Past Performance Information Retrieval System-Statistical Reporting (PPIRS-SR) application (http://www.ppirs.gov/) will be used in the evaluation of suppliers' past performance.

(2) PPIRS-SR collects quality and delivery data on previously awarded contracts and orders from existing Department of Defense reporting systems to classify each supplier's performance history by Federal supply class (FSC) and product or service code (PSC). The PPIRS-SR application provides the contracting officer quantifiable past performance information regarding a supplier's quality and delivery performance for the FSC and PSC of the supplies being purchased.

(3) The quality and delivery classifications identified for a supplier in PPIRS-SR will be used by the contracting officer to evaluate a supplier's past performance in conjunction with the supplier's references (if requested). The Government reserves the right to award to the supplier whose offer represents the best value to the Government.

(4) PPIRS-SR classifications are generated monthly for each contractor and can be reviewed by following the access instructions in the PPIRS-SR User's Manual found at https://www.ppirs.gov/pdf/PPIRS-SR_UserMan.pdf. Contractors are granted access to PPIRS-SR for their own classifications only. Suppliers are encouraged to review their own classifications, the PPIRS-SR reporting procedures and classification methodology detailed in the PPIRS-SR User's Manual, and PPIRS-SR Evaluation Criteria available from the references at https://www.ppirs.gov/pdf/PPIRS-SR_DataEvaluationCriteria.pdf. The method to challenge a rating generated by PPIRS-SR is provided in the User's Manual.
*****

SUBPART 15.4 – CONTRACT PRICING

15.402 Pricing policy.

(a)(2)(i) The contracting officer may determine the price of a sole source item meets the "adequate price competition" definition in FAR 15.403-1(c)(1)(i) with a single manufacturing source when there are two offers (usually distributors for the sole source original equipment manufacturer (OEM)). When receiving two offers, the contracting officer documents how the offered prices are independent. Contracting officers shall use the following guidelines in making the determination:

(A) Consider the OEM strategy for selling or distributing products, for example:

(*1*) Selling direct to all customers;

(*2*) Selling through their own financially-affiliated network of dealers or distributors;

(*3*) Selling to multiple independent (not financially affiliated) dealers or distributors; or

(*4*) Entering a sole dealer or distributor relationship.

(B) Review financial relationships for common ownership, control, or other business relationship that prevents independent pricing. For example, dealers or distributors cannot set their own prices or buy and manage an inventory of items. When OEMs do not provide data under FAR 15.404-3, or when dealers or distributors cannot perform analysis under FAR 15.404-3, this may suggest control by the OEM and a lack of price independence.

(C) Consider the low offerer's price in comparison to historical prices paid. A pattern of frequent or substantial price increases under a dealer or distributor relationship may suggest the absence of an independent business relationship. For example, a dealer or distributor increases prices by 20 percent yearly, but the applicable producer price index (PPI) or cost index for material and labor increased at a significantly lower rate.

(D) Search CBAR, or contact the ACO, to review the contractor's current purchasing system and estimating system status, as applicable, based on the business.

(3) When using a market basket or similar solicitation evaluation, contracting officers shall use one of the pricing models below. Ensure the items selected for the market basket represent the scope, extent, and complexity of the acquisition and all cost drivers. Cost drivers are high dollar value, high purchase frequency, and high volume items forecast for procurement. The contracting officer decides the cost driver population by analyzing historical demand data, expected future demand, and other relevant data. Final market baskets must represent the various types of items in the solicitation and advise the contracting officer of the expected cost to the Government. Post-award pricing strategies shall ensure fair and reasonable prices paid for all items purchased under the contract. The pricing strategy shall address how new items added to the contract and price changes to existing items under the contract will be determined fair and reasonable. See DLAD 17.95 when the contracting officer relies on the contractor's purchasing system to corroborate the contractor competed items or services or to help in justifying the prices are fair and reasonable. Approved pricing models are below. New models or variations to these models must follow the requirements in this paragraph.

(i) Pricing Model: Fixed price using distribution and pricing agreement (DAPA) and Federal Supply Schedule (FSS) pricing

(A) Program Example: Medical/Surgical and Pharmaceutical

(B) Pre-Award Price Reasonableness Determination: Each item before award.

(C) Post-Award Price Reasonableness Determination: New items and price changes after award.

(ii) Pricing Model: Fixed price using market basket

(A) Program Example: Subsistence CONUS and OCONUS

(B) Pre-Award Price Reasonableness Determination: Each item in the market basket before award. The market basket must represent at least 40% of the estimated dollar value, with added items judgmentally selected to represent all distribution categories to the maximum extent possible. The market basket must contain a minimum of 75 items.

(C) Post-Award Price Reasonableness Determination: Each item before adding to the catalog.

(iii) Pricing Model: Fixed price using price evaluation list

(A) Program Example: MRO Supplies

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination:

(*1*) For line items below the micro- purchase threshold, a representative statistical sampling of lines meeting a 90% confidence level and a 10% error rate, determination is by 60 days after award.

(*2*) For line items with an extended value greater than or equal to the micro-purchase threshold and less than $10,000, at least 30% determined before award and the balance by 60 days after order.

(*3*) For line items with an extended value greater than or equal to $10,000, determination is for each item before order.

(*4*) Determination made for each item added or price change post award.

(*5*) Determination made for 100% of incidental services

(iv) Pricing Model: Fixed price using price evaluation list

(A) Program Example: Metals

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added, incidental service or price change.

(v) Pricing Model: Multiple award, fixed price using price evaluation list and competition of each order

(A) Program Example: Special Operations Equipment, MRO Supplies (CENTCOM), Fire Fighting and Emergency Services Equipment, Wood Products.

(B) Pre-Award Price Reasonableness Determination: Each item before award.
The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service. The contracting officer provides fair opportunity to compete for orders to all contract holders under FAR 16.505 (b).

(vi) Pricing Model: Fixed price using pre-priced core list

(A) Program Example: MRO Supplies

(B) Pre-Award Price Reasonableness Determination: Each item before award. The price evaluation list must represent the scope, extent, and complexity of the acquisition, and include all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service or price change.

(vii) Pricing Model: Fixed price using pre-priced core list

(A) Program Example: e.g. integrated prime vendor (IPV)

(B) Pre-Award Price Reasonableness Determination: Each item on the core list before award. The contracting officer places unpriced items representing the balance of total requirements in a Schedule. Competitively awarded core list using best value. Core list is a percentage of the total item requirements and must represent the scope, extent, and complexity of the acquisition, and includes all cost drivers.

(C) Post-Award Price Reasonableness Determination: Each item added or incidental service or price change. All requirements identified must be in the Core List. Only items on the Core List may be ordered.

15.403 Obtaining certified cost or pricing data.

15.403-1 Prohibition on obtaining certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).

(c) Standards for exceptions from certified cost or pricing data requirements.

(3) Commercial items.

(B) DLA Acquisition Contract and Pricing Compliance Division prepares the annual report for approval by the Senior Procurement Executive.

(4) Waivers. HCAs submit exceptional case TINA waivers for procurements that exceed $100 million to the Contract and Pricing Compliance Division for SPE coordination.

(B) DLA Acquisition Contract and Pricing Compliance Division prepares the annual report for approval by the Senior Procurement Executive.

(C) The contracting officer must initiate discussions with CCC to request confirmation of the price reasonableness determination when price analysis indicates a significantly different price from CCC. Provide price analysis results in request to CCC.

15.403-3 Requiring data other than cost or pricing data.

(a) General.

(4) The HCA's authority is not delegable.

15.403-4 Requiring certified cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. chapter 35).

(a)(1) The threshold applies to the contract value as defined in FAR 1.108(c).

15.404 Proposal analysis.

15.404-1 Proposal analysis techniques.

(a) General.

(5)(S-90) For actions exceeding the TINA threshold, the contracting officer must query Contractor Business Analysis Repository (CBAR) for:

(A) Indirect and Direct rates,

(B) Status of Business Systems and withholds,

(C) CAS Disclosure statements,

(D) CAS non compliances,

(E) FPRA/FPRR,

(F) IR&D and B&P information, and

(G) Business Clearance Information.

(S-91) The contracting officer will decide the scope of the analysis needed (evaluation of material costs only; evaluation of material and labor costs only; complete analysis or audit) and when pricing office support is required. The pricing office works with product specialists and engineering analysts for technical support for negotiation and requests DCMA or DCAA support if external resources are needed. Contracting officers can ask for a price analysis or cost/price analysis when:

(A) Sealed bid acquisitions at the TINA threshold or more when the contracting officer receives a sole responsive bid;

(B) Negotiated acquisitions that exceed the TINA threshold ($200,000 for FPI), when the contracting officer does not receive adequate price competition;

(C) Defective pricing;

(D) Reportable audits;

(E) Potential overpricing;

(F) Unbalanced pricing; or

(G) Business system reviews.

(b) Price analysis for commercial and non-commercial items.

(2) The contracting officer must document the index used to compare the item or service proposed price to the historical price. Contracting officers should use an index that captures historical or actual price changes such as an index from U.S. Bureau of Labor Statistics (BLS). When projecting current prices into future periods, contracting officers must rely on indexes that estimate future price changes such as Global Insight. The contracting officer must consider the trend of the selected index.

(v) Contracting officer must not use DLA standard price, budgetary estimates, provisioning estimates, stocking models (VSRM), and material acquisition unit price (MAUC) (unless based on recent purchases and escalated to the intended award date) for comparative price analysis and price reasonableness determinations.

15.406 Documentation.

15.406-1 Prenegotiation objectives.

(b)(1) For acquisitions above the SAT and up to $10 million, that do not use cost analysis, the contracting officer documents the prenegotiation objectives in the Price Negotiation Memorandum (PNM). The contracting officer may use a memorandum or briefing charts to document the objectives before negotiations.

(2) For acquisitions over $10 million, and for those under $10 million involving cost analysis, the contracting officer must use a Price Negotiation Objective Memorandum (PNOM).

(b)(ii) Adjudication Procedures. When the HCA cannot reach resolution with DCAA, the contracting officer provides the DLA Acquisition Contract and Pricing Compliance Division Chief documentation of the unresolved audit to inform the DLA Acquisition Director. The DLA Acquisition Director may discuss resolution with the DCAA Director before DCAA refers to the Director, Defense Procurement and Acquisition Policy.

15.406-3 Documenting the negotiation.

(a) Contracting officers must use a standard Price Negotiation Memorandum (PNM) format from the PNM Checklist Competitive at 53.9015(a) or the PNM Checklist Non-Competitive at 53.9015(b), including PNOMs, to ensure the information is documented in a consistent format.

(11) “Price reasonableness codes” (PRCs) are two position codes in EBS. The first position identifies the support, if any, the contracting officer received. The second position identifies price analysis technique, and cost analysis if performed. Contracting officers must ensure appropriate PRC code is in EBS.

First Position:

B Contracting officer analysis.
F DCAA or DCMA support.
P Price/Cost Analyst support.
V Value Engineering Office support.
X Contracting officer relied on automated purchase pricing logic.

Second Position:

A Adequate price competition from at least two manufacturers or providers of service(s) (FAR 13.106-3(a)(1) or FAR 15.403-1(c)(1), 15.404-1(b)(2)(i) and DFARS 215.371-3).
B Adequate price competition from at least one manufacturer and at least one non-manufacturer or at least two non-manufacturers (FAR 13.106-3(a)(1) or 15.404-1(b)(2)(i), FAR 15.403-1(c)(1), DFARS 215.371-3 and 15.402).
C Current price lists, catalogs, or advertisements (FAR 13.106-3(a)(2)(iii)). For simplified acquisition procedures only.
D Market research (FAR 13.106-3(a)(2)(i)) or comparison with similar items in a related industry (FAR 13.106-3(a)(2)(iv)). For simplified acquisition procedures only.
E Item price set by law or regulation (FAR 15.403-1(b)(2)).
F Cost analysis of offeror's cost or pricing data combined with price analysis (FAR 15.404-1(c)).
G Comparison to historical prices paid, whether by the Government or other than the Government, for same or similar items and prior price is a valid basis for comparison as supported by prior file documents (FAR 13.106-3(a)(2)(ii), FAR 15.404-1(b)(2)(ii), DFARS PGI 215.403-3(4) and PGI 215.404-1(b)(iii)(A)).
H Comparison to independent government estimate (FAR 13.106-3(a)(2)(vi), or independent government cost estimate (FAR 15.404-1(b)(2)(v)).
I Data other than certified cost or pricing data, excluding cost data, submitted and no other analysis code applies (FAR 15.404-1(b)(2)).
J Any other reasonable basis (FAR 13.106-3(a)(2)(vii)). For simplified acquisition procedures only.
N Comparison with competitive published price lists, published market prices of commodities, similar indexes, and discount or rebate arrangements for the same or similar items (FAR 15.404-1(b)(2)(iv)).
O Parametric estimating methods or application of rough yardsticks after further analysis (FAR 15.404-1(b)(2)(iii)).
P Comparison of proposed prices with prices found through market research for the same or similar items (FAR 15.404-1(b)(2)(vi)).
R Value analysis (FAR 15.404-1(b)(4)), Contract Pricing Reference Guide Volume 1, 6.1.5) used with a price analysis technique, or techniques, in FAR 15.404-1(b)(2)(ii) through (vii), inclusive. File documentation must include description of price analysis technique (s) used and value analysis conclusion(s). For future acquisitions, the contracting officer shall not use actions coded with "R" for comparison unless there is a valid basis for comparison.
W Award is an unpriced purchase order or undefinitized contract action (code first position "B").
X Quote meets automated pricing logic conditions for price reasonableness. EBS assigns "X" in the first position. Not used for manual awards. For future acquisitions, the contracting officer shall not use actions coded with "X" for comparison.
Y Contracting officer's determination that prices are fair and reasonable under FAR 13.106-3(a)(2)(v), FAR 13.106-3(a)(3) or FAR 13.203(a)(3). Used only for manual awards at or below the simplified acquisition threshold. For future acquisitions, the contracting officer shall not use actions coded with "Y" for comparison.

Z When an offeror does not comply with a requirement to submit data for a contract, or subcontract (FAR 15.403-3(a)(1)) and the HCA approved the determination (FAR 15.403-3(a)(4)). For future acquisitions, the contracting officer shall not use actions coded with "Z" for comparison. Contracting officer may use with any commercial acquisition and non-commercial actions up to the TINA threshold.

When elevating negotiations under FAR 15.405(d), and negotiations end with an award decision, use the correct analysis code C, D, F, G, H, I, J, N, O, P, R or Z and document the file.

15.407-90 Reverse Auction.

(a) Policy.

(1) The contracting officer must consider using reverse auctions in solicitations for competitive procurements valued above the micro-purchase threshold. The contracting officer must document the contract file when competitive procurements do not use reverse auction above the SAT.

(2) When reverse auction is used, the contracting officer must use the DLA reverse auction pricing tool and enable the "Lead/Not Lead" feature when price is the sole evaluation factor.

(3) The CCO shall send reverse auction reports to reverse auction program manager in the DLA Acquisition Contract and Pricing Compliance Division by the close of business each Friday. Reports must include historical, direct, and indefinite-delivery contract savings. Indefinite-delivery contract savings are reported for each contract period. Report format is provided by reverse auction program manager. Negative reports required.

(i) Last price paid - final auction price X quantity = historical savings

(ii) Lowest offered pre-auction price - lowest offered post-auction price X quantity = direct savings

(iii) Direct savings X estimated annual quantities = indefinite-delivery contract estimated savings

(iv) Direct savings X actual quantities ordered during contract period = indefinite-delivery contract adjusted savings

(b) General guidance for selecting reverse auction candidates.

(1) A reverse auction is an internet-based or electronic commerce acquisition tool following traditional auction principles. It allows the Government to buy goods and services from offerors in a dynamic environment where offerors successively bid prices down until the auction ends.

(2) A reverse auction works well when competing an order for items or services on General Services Administration (GSA) schedules and DOD multiple-award indefinite-delivery type contracts. Conditions best suited for a reverse auction include high volume, commodity type commercial items or commodity-like services that do not have exact or lengthy specifications, are available off the shelf, or competed solely using price.

(c) Solicitations shall include procurement note L09 when the contracting officer may use a reverse auction.

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L09 Reverse Auction (OCT 2016)

The Contracting Officer may utilize reverse auctioning to conduct price discussions. If the Contracting Officer does not conduct a reverse auction, award may be made on-initial offers or following discussions. If the Contracting Officer decides to use line reverse auctioning to conduct price negotiations, the Contracting Officer will notify Offerors of this decision and the following applies:

(1) The contracting officer may use reverse auction as the pricing technique during discussions to receive the final offered prices from each offeror.

(2) During each round of reverse auction, the system displays the lowest offer price(s) unless the auction instructions are different. All offerors and authorized auction users see the displayed lowest price(s). This disclosure is anonymous and a generic identifier displays for the offeror. Generic identifiers include designators such as "offer A" or "lowest-priced offeror." By submitting a proposal in

response to the solicitation, offerors agree to participate in the reverse auction and that their prices may be disclosed, including to other offerors, during the reverse auction.

(3) An offeror's final auction price at the close of the reverse auction is considered its final price proposal revision. No price revisions will be accepted after the close of the reverse auction, unless the contracting officer decides that further discussions are needed and final price proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307, or the contracting officer determines that it would be in the best interest of the Government to re-open the auction.

(4) The contracting officer identifies participants to the DLA commercial reverse auction service provider. To be eligible for award and participate, the offeror must agree with terms and conditions of the entire solicitation and the commercial reverse auction service. The reverse auction pricing tool system administrator sends auction information in an email. The reverse auction system designates offers as "lead," meaning the current low price in that auction, or "not lead," meaning not the current low price in that auction. In the event of a tie offer, the reverse auction provider's system designates the first offer of that price as "lead" and the second or subsequent offer of that price as "not lead." If a tie offer is submitted and no evaluation factors other than price were identified in the solicitation or a low-price technically acceptable source selection is being used, the "Not Lead" offeror that submitted the tie offer must offer a changed price; otherwise its offer will be ineligible for award. If evaluation factors in addition to price were listed in the solicitation and a tradeoff source selection is being used, tie offers that are "Not Lead" will be considered and evaluated.

(5) Offerors unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the offeror's inability to enter pricing is determined to be without fault on the part of the offeror and outside the offeror's control.

(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.

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(d) Competing individual delivery orders through reverse auctioning. Contracting officers must use procurement note L10 when reverse auction may be used for some or all delivery orders issued against a multiple award contract with competitive ordering. Examples include FAR Subpart 8.4 requests for quotes and blanket purchase agreements (BPAs) when the BPA ordering process follows FAR 8.405-3(c)(2)(ii) or (iii).

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L10 Competing Individual Delivery Orders Through Reverse Auctions (OCT 2016)

(1) A reverse auction may be used as the price negotiation technique when competing delivery orders under this contract. The contracting officer issues a request for proposal. After receiving proposals, the contracting officer will then send written notice via email to contractors with specifics about the reverse auction.

(2) Each contractor identified by the contracting officer as a participant in the reverse auction will be contacted by the DLA commercial reverse auction service provider to advise the contractor of the event and to provide an explanation of the process.

(3) The reverse auction will be conducted using the commercial reverse auction service provider's website, as embedded in the email notification. Participants shall be responsible for providing their own computer and Internet connection.

(4) Prior to the reverse auction, the Government will determine whether all participants' prices, or just the lowest price(s), will be disclosed to other auction participants and to anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each participant's identity will be concealed from other participants (although it will be known to the Government). If the Government opts to disclose one or more participant's prices, only generic identifiers will be used for each participant's proposed pricing (e.g., "participant A or "lowest priced participant"). By submitting a proposal for a solicitation that includes this note, a contractor agrees to participate in the reverse auctions that will be conducted for award of specific delivery orders to be issued under the resulting multiple award contract, and that its quoted prices for a delivery order may be disclosed to other Contractors participating in the reverse auction.

(5) Any contractor unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the contractor's inability to enter pricing is determined to be without fault on the part of the participant and outside the contactor's control.

(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.

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15.408 Solicitation provisions and contract clauses.

(5) Insert DFARS 252.215-7009, Proposal Adequacy Checklist, in all solicitations that are sole source and exceed the TINA threshold.

SUBPART 15.6 – UNSOLICITED PROPOSALS

15.606 Agency procedures.

(a)(S-90) Organizations receiving an unsolicited proposal (UP) must forward them to their unsolicited proposal coordinator and the DLA Acquisition Operations UP program manager. The DLA Acquisition Operations UP program manager decides the correct unsolicited proposal coordinator(s) when needing evaluation by multiple organizations. Unsolicited proposal coordinators must:

(i) Coordinate and manage UPs;

(ii) Protect UPs from unauthorized disclosure (FAR 15.608 and 15.609); use cover sheet provided in FAR 15.609 for all stages of the Government's handling of a UP;

(iii) Advise UP program manager when a UP needs wider consideration in DLA;

(iv) Preserve accurate and complete disposition record of all UP processed;

(v) Ensure all affected evaluation offices and personnel follow FAR 15.608 and 15.609;

(vi) Ensure evaluators provide supporting reason for conclusions and recommendations. When recommending the UP for acceptance, ensure evaluators specify available funds or programmed funds; and

(vii) Send to contractors expressing interest in sending a UP the information in FAR 15.604(a)(1) through (6).

(S-91) Detailed procedures.

(i) The UP coordinator reviews the submission and decides if it meets all UP factors and sends written notice to the UP offeror within 15 days (follow FAR 15.601-1(b) or (c) as applicable). When the UP coordinator needs extra evaluation time, provide an interim response to the offeror within 15 days

stating that more review is required, and that the final response is expected to be completed within 30 days from receipt of the submission, but that a further interim response will be provided at that time if evaluation cannot be completed, giving the estimated time for completion. The-UP coordinator normally provides a final response within 30 days. When UP coordinator needs more than 30 days to evaluate, the coordinator or DLA Acquisition Operations UP program manager sends a notice to the offeror with the estimated completion date. The UP coordinator must complete the review in 90 days from UP receipt.

(ii) The coordinator forwards the UP submission to the correct technical or other personnel for evaluation. When evaluations need extra information, the coordinator contacts the UP offeror to request the information. The coordinator tells the offeror that it assumes all risk and expense for sending extra information, and that the request for extra information does not create a commitment by the government. The coordinator tells the DLA Acquisition Operations UP program manager they asked for added information.

(iii) Following the evaluation, the coordinator informs the offeror by letter of the final determination. If the submission is not a valid unsolicited proposal or is otherwise unacceptable, the letter states that determination and an explanation of the rationale in accordance with FAR 15.603(c) and 15.607(a), as applicable. If the submission is determined to be a valid UP, the coordinator informs the offeror and includes a caution, in accordance with FAR 15.607(a), that a favorable comprehensive evaluation of an unsolicited proposal does not, in itself, justify awarding a contract without providing for full and open competition and that the unsolicited proposal will be provided to an appropriate contracting officer for a determination of whether further action is appropriate in accordance with FAR 15.607(b).

(iv) On receiving a valid UP from the coordinator, the responsible contracting officer will decide the correct contract action, if any, following FAR 15.607(b) and coordinating with the correct requiring activity. If the contracting officer determines that the UP represents a valid requirement and the conditions for proceeding with a procurement are met, the contracting officer must provide for full and open competition or justify limiting sources, as applicable. The contracting officer notifies offeror in writing if negotiations in accordance with FAR 15.607(b) will commence.

(b) Organization coordinators responsible for UPs.

(S-90) DLA Land and Maritime – Competition Advocate (primary) and Procurement Process Directorate (alternate)

(S-91) DLA Troop Support – Pricing and Strategy Division Chief

(S-92) DLA Aviation – Pricing Division Chief

(S-93) DLA Energy – Acquisition Policy and Oversight Associate Director

(S-94) DLA Disposition Services – Acquisition Procedures Division Chief

(S-95) DLA Distribution – Acquisition Policy Chief

(S-96) DLA Strategic Materials – Contracting Director

(S-97) DLA Contracting Services Office – Contract & Pricing Compliance Division Chief

PART 16 – TYPES OF CONTRACTS

(Revised June 16, 2015 through PROCLTR 2015-09)

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SUBPART 16.1 – SELECTING CONTRACT TYPES

(Revised August 28, 2015 through PROCLTR 2015-11)

16.190 Long-term contracting.

(a) Scope of section. This section prescribes policy and procedures applicable to contracting offices for establishing and processing long-term contracts (LTC) at all dollar values for supplies and services in support of DLA customers. Additional LTC policy is contained elsewhere in the DLAD (see parts 4, 7, 9-11, 13, 15-17, 46, and 47).

(b) The Large Acquisition Milestone Management System (LAMMS) shall be used to track large and long term acquisitions pending transition to the EProcurement milestone tracking system.

(c) Policy. Contracting officers shall establish and process long-term contracts in accordance with this section.

(1) LTCs should be used for stock replenishment consumable items that have frequent, consistent, and predictable demands, as well as non-replenishment items having at least 12 demands per year. Items currently on LTCs will be renewed provided they have had at least 4 demands in the previous year. Terminal or obsolete items are generally excluded from LTCs. Items will be excluded if they have 2 years DLA stock on-hand, unless the PLT is 18 months or greater or there is no planned buy within 2 years.

DLR candidates for LTCs will be determined in conjunction with the Military Service managing those items.

(2) *Contract management plans.* The contract management plan (CMP) policy at 7.105(b)(19)(S-90) is applicable to all long-term contracts (LTCs) that contain provisions for repricing as described in 15.403-4(a)(1)(i)(S-91)(D) during the contract term.

(d) Standards and metrics.

The following milestones shall be tracked in LAMMS:

Milestone	**Description**
Project Create Date	Create project, includes preliminary market research and may include, Statement of Work (SOW)/Statement of Objective (SOO), performance criteria. This is typically the customer's requirements generation time.
Purchase request (PR) Create Date	Contracting officer reviews market research and obtains clarification on requirements. Contracting officer completes all documents to include solicitation.
Solicitation Issue Date	
Solicitation Close Date	
Pre Negotiation Memorandum Approval Date	Competitive: Items for negotiation are identified, documented, and all clarifications, communications, and, as applicable, discussions with offerors are completed. All items have been addressed and documented and approval is granted to request final proposal revisions or award on initial proposals. Noncompetitive: All negotiation objectives are identified, documented and approval is provided to enter into negotiations.
Close Negotiations (Discussions) Date	Competitive: Discussions are closed and final proposal revisions are received (FPR). IF award will be made on initial proposals it is the same date as above Noncompetitive: Negotiations are completed
Price Negotiation Memorandum (PNM)/SSDD Approval Date	Competitive: Date PNM and Source Selection Decision Document (SSDD) are approved. Noncompetitive: Date of PNM
Award Date	Competitive: For multiple award acquisition, the date of first award is entered. Noncompetitive: Date of award

(2) DLA has established an objective of making large and long term contract awards (supplies and services) in no more than an established number of days between the receipt of a PR to award based on the type and dollar value of the subject procurement. The established objectives are shown below.

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	Sole Source				
	$150K-$700K	$700K-$10M	$10M-$100M	$100M-$500M	>$500M
Days from PR to Award	110	140	180	210	270

	Competitive				
	$150K-$700K	$700K-$10M	$10M-$100M	$100M-$1B	>$1B
Days from PR to Award	110	135	180	215	270

16.191 Bridge Contracts.

(a) The use of bridge contracts (see definition in 2.101) is an impediment to competition. Bridge contracts may also extend the use of acquisition or pricing strategies that are no longer appropriate for the current environment. For purposes of this coverage, the terms "contract" and "contracts" only include contract actions with a total estimated value above the simplified acquisition threshold (SAT), and include task or delivery orders and orders against GSA Schedule contracts.

(b) A bridge contract shall be used only when it is not possible to award the planned follow-on contract in sufficient time to meet the Government's requirements. A bridge contract may be appropriate in the following circumstances:

(1) The competitive follow-on contract/solicitation has been protested;

(2) The approved acquisition strategy requires a necessary change and is endorsed by the HCA;

(3) A statutory or regulatory change necessitates a change prior to award; or

(4) Other circumstances, demonstrated to not be due to lack of advance planning or inadequate procurement execution, result in delay of a solicitation and/or award.

(c)(1) The contracting officer and the program office, when applicable, shall prepare a Justification & Approval (J&A) in accordance with FAR Part 6 or other applicable FAR Part (e.g., FAR 8.405-6 or FAR 16.505(b)(2)(ii)(B)) to support solicitation and award of a bridge contract, and a request to the Head of the Contracting Activity (HCA) for approval to solicit and award the bridge contract (see sample format at PGI 16.191). The J&A need not be prepared in conjunction with the request if FAR 6.302-2 or other provision of FAR Subpart 6.3 not requiring preparation of a written J&A is applicable.

(2) This J&A (or the request for approval, if a J&A is not required to proceed pursuant to FAR 6.302-2 or other provision of FAR Subpart 6.3 not requiring preparation of a written J&A) shall include a detailed rationale for use of a bridge contract; an explanation why the need for a bridge contract is not due to lack of advance planning or inadequate procurement execution; a justification for the length of the bridge; and a discussion of actions to be taken to avoid this bridge request and additional bridge contracts. The J&A shall be processed for approval at the required level based on the total estimated value of the contract action.

(3) The request to issue a bridge contract, with supporting J&A, shall be presented to the HCA for approval of the request (the HCA is not required to sign the J&A if the J&A approval authority is at a lower level) before a bridge contract may be solicited, negotiated, and awarded. The HCA's approval authority may be delegated to the CCO for bridge contracts valued between the SAT and $1M. The request with HCA/CCO approval shall be included in the contract file.

(4) A bridge contract issued to the incumbent on a sole source basis shall be issued as a separate contract, not as an extension/modification to the existing contract. Such contracts shall be properly coded in FPDS-NG as sole source.

(5) Numbers/status for bridge contracts on Hi Viz contracts (as identified in DLAD 1.690-4(b)) shall be reported monthly to J72 in a format prescribed by J72.

(6) Numbers/status for bridge contracts on other than Hi Viz contracts exceeding the simplified acquisition threshold (SAT) shall be reported on a quarterly basis (due Dec 31, Mar 31, June 30 and Sep 30) in a format prescribed by J72.

SUBPART 16.2 – FIXED PRICE CONTRACTS

(Revised June 15, 2015 through PROCLTR 2015-09)

16.203 Fixed-price contracts with economic price adjustment.

16.203-90 Definitions. As used in this section—
"Established catalog price" means prices (including discounted prices) recorded in a catalog, price list, schedule, or other record that are regularly maintained by the manufacturer or vendor and are published or otherwise available for customer inspection.
"Established market price" means a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror.
"Existing EPA clause" means a clause prescribed in FAR 16.203-4 or DFARS 216.203-4-70, or this subpart that has been reviewed and approved in accordance with agency procedures in 1.301-91.

16.203-1-90 Description.
(a) *Adjustment based on established prices.* Established prices may reflect industry-wide and/or geographically based market price fluctuations for commodity groups, specific supplies or services, or contract end items. (Refer to DAR Tracking Number 95-D0003, FARS DEV 96-10).
(c) *Adjustments based on cost indexes of labor or material.* These price adjustments may also be based on increases or decreases in indexes for commodity groups, specific supplies or services, or contract end items. (Refer to DAR Tracking Number 95-D0003, FARS DEV 96-10.)

16.203-2-90 Application.
(a) Established prices and cost indexes need not reflect changes in the costs or established prices of a specific contractor. The established price or cost index may be derived from sales prices in the marketplace, quotes, or assessments as reported or made available in a consistent manner in a publication, electronic database, or other form, by an independent trade association, Government body, or other third party independent of the contractor. More than one established price or cost index may be combined in a formula for economic price adjustment purposes in the absence of an appropriate single price or cost index. (Refer to DAR tracking number 95-D0003, FARS Deviation 96-10.)
(b) Although a specific item or element of cost may require EPA coverage, the contracting officer should also determine whether an EPA clause should cover the entire end item to take advantage of competitive market forces to moderate price fluctuations. The decision should be based on risk and price analyses of the alternatives, and may be an appropriate element of tradeoff in negotiations.
(c) All EPA clauses shall contain, and the contracting officer shall ensure compliance with, the contractor's warranty that the contract prices do not include allowance for any contingency to cover increased costs also considered by the EPA clause. (When a contract option is also planned, see 17.203(d).)
(d) If it becomes apparent that an EPA clause is clearly justified in a solicitation that did not include one, a FAR, DFARS, or DLAD EPA clause may be included by amendment to the solicitation and in any resulting contracts if all EPA contingencies covered by the EPA clause are removed from any formerly offered price(s).

16.203-4 Contract clauses.
(a) Adjustments based on established prices–standard supplies.
(1)(S-90) The clause at 52.216-9000 (or substantially the same clause) may be used with FAR clause 52.216-2.
(S-91) Fresh fruits and vegetables under the DLA Troop Support subsistence supply chain is authorized to use a FAR Deviation for long term contracts. The deviation is provided at 52.216-9039.

(S-92) The clause at 52.216-9085 may be used in any DLA Multiple Award Schedule solicitation or contract instead of FAR 52.216-2, which is hereby determined inappropriate in accordance with FAR 16.203-4(a).

(S-90) When the contracting officer determines that no existing EPA clause (including a FAR clause used in conjunction with the corresponding FAR EPA "Implementation" DLAD clause) is appropriate, the contracting officer may develop an alternate to an existing EPA clause, or a new clause, in accordance with 16.203-1(a) or (c) or as otherwise authorized in the FAR, and will submit it for approval in accordance with 1.301-91. Established prices and cost indexes need not reflect changes in the costs or established prices of a specific contractor. The established price or cost index may be derived from sales prices in the marketplace, quotes, or assessments as reported or made available in a consistent manner in a publication, electronic database, or other form, by an independent trade association, Governmental body, or other third party independent of the contractor. More than one established price or cost index may be combined in a formula for economic price adjustment purposes in the absence of an appropriate single price or cost index. (Refer to DAR tracking number 95-D0003, FARS Deviation 96-10.)

(S-91) Adjustments based on established market prices or indexes.

(1) The contracting officer shall determine the most appropriate international, national, regional, or local area market. The EPA clause included in the solicitation shall identify the index or established market price, the document containing such index or price, and its effective date or period.

(2) If the contracting officer is unable to identify an established market price or index that satisfactorily reflects economic fluctuations, then the EPA provision included in the solicitation may provide for offeror fill-in to recommend the most appropriate established market price or index (if none, the most appropriate established catalog price), along with the document containing the established price or index and the effective date/period of the established price or index (and, for established catalog price EPA clauses, the identification and amount of any applicable extras, discounts, or rebates used in calculating the contract price). The contracting officer shall select the most appropriate established market price or index identified (if none, the most appropriate established catalog price). The contracting officer may amend the request for proposal (RFP) to include this selection.

(3) In addition, when preparing a new, locally developed EPA clause or a revision to an existing clause involving using an established or published market price clause, include the provision, after substituting the phrase "market price" indicator for the occurrences of the word "index."

(4) The clause at 52.216-9003 may be included in solicitations and resulting contracts for items containing specialty metals, when there is potential for unpredictable increases or decreases in the cost of the specialty metal, and the changes can be tracked by a published market price indicator (e.g. London metals exchange, Platts). Cost or price indices that are subject to recalculation after initial publication (to take into account late survey reports and corrections by respondents, e.g., PPI) shall not be used with this clause. Clause requires contractor submission of information adequate to support derivation of the dollar value of specialty metal(s) in the unit price.

(S-92) *Adjustments based on established catalog prices.* An established catalog price-type EPA clause (FAR 52.216-2 or –3, DFARS 252.216-7000 or –7001) may be included in solicitations and resulting contracts for an item previously bought without such EPA clause only after the contracting officer determines that neither an index-type or an established market priced EPA is suitable (i.e., the requirements of FAR 16.203-4(d) and DFARS 216.203-4(d) are not met or there is no suitable index or established market price describing the supplies with specificity) and documents in the acquisition plan the results of actions taken in reaching this determination.

(S-93) Approvals.

(1) Prior to issuance of a solicitation containing a new EPA clause, the contracting officer shall submit the clause for review and approval in accordance with 1.301-91.

(2) The CCO or designee (not lower than one level above the contracting officer) shall approve any adjustment ceiling exceeding ten (10) percent. Such approval may cover more than one contract and extend over a stated definite period of time not to exceed two years, at which time the adjustment ceiling will be reviewed again.

16.203-4(a)(2)(90) EPA – Established catalog price. Two upward adjustments per year open season E-CAT solicitation.

(i) Use 52.216-9040, Economic Price Adjustment – Established Catalog Price Two Upward Adjustments Per Year Open Season E-CAT Solicitation, in medical FAR Part 12 solicitations and contracts for the equipment ECAT/CVC Program where offered prices are based upon established catalog/list prices, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, and the resulting contract will be placed on the medical electronic catalog (ECAT) web based ordering system. Upward adjustments are based on increases in list prices and may be requested by the contractor twice each contract year. Downward adjustments are mandated whenever the contractor's list prices decrease and/or whenever the contractor has a Federal supply schedule (FSS) for the same item and that price is reduced to one that is lower than the current unit price on the medical contract.

(ii) For dental, optical and laboratory integrated delivery system (LIDS) buys, use clause 52.216-9047, Economic Price Adjustment – Established Catalog Price One Upward Adjustment per Option Year E-Cat Solicitation. This clause may be appropriate for other medical ECAT acquisitions. Consult with the pricing and strategy division, DLA Troop Support, prior to use.

16.203-4(a)(2)(91) EPA, FSS prices, open season E-CAT solicitation, medical FAR Part 12 solicitations and contracts.

(i) Use 52.216-9041, Economic Price Adjustment – Federal Supply Schedule Prices – Open Season E-CAT Solicitation, in medical FAR Part 12 solicitations and contracts for the equipment ECAT/CVC program, where adjustments will be based upon price changes in the contractor's Federal supply schedule (FSS) contract for the same items, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, and the resulting contract will be placed on the medical electronic catalog (ECAT) web based ordering system. Upward adjustments may be requested by the contractor whenever the FSS price for an item increases. Decreases are mandated whenever FSS prices decrease.

(ii) For dental, optical, and laboratory integrated delivery system (LIDS) buys use 52.216-9047, Economic Price Adjustment – Established Catalog Price One Upward Adjustment Per Option Year E-Cat Solicitation. This clause may be appropriate for other medical ECAT acquisitions. Consult with the pricing and strategy division, DLA Troop Support, prior to use.

16.203-4(a)(2)(92) Economic price adjustment – Federal supply schedule prices, in medical FAR Part 12 solicitations and contracts. Use 52.216-9043, Economic Price Adjustment – Federal Supply Schedule Prices, in medical FAR Part 12 solicitations and contracts where adjustments will be based upon price changes in the contractor's Federal Supply Schedule (FSS) contract for the same items, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant contract, the resulting contract will not be placed on the medical electronic catalog (ECAT) web based ordering system, and the concurrence of the Pricing and Strategy Division DLA Troop Support, is received prior to using the clause. Upward adjustments may be requested by the contractor whenever the FSS price for an item increases. Decreases are mandated whenever Federal Supply Schedule (FSS) prices decrease.

16.203-4(a)(2)(93) Medical FAR Part 12 solicitations and contracts. Use 52.216-9044, Economic Price Adjustment – Established Catalog Price – Multiple Adjustments Authorized per Clause Terms – non-ECAT, in medical FAR Part 12 solicitations and contracts where offered prices are based upon established catalog/list prices, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, the resulting contract will not be placed on the medical electronic catalog (ECAT) web based ordering system, and the concurrence of the pricing and strategy division, DLA Troop Support, is received prior to using the clause. Upward adjustments may be requested by the contractor whenever the list price for an item increases. Downward adjustments are mandated whenever the contractor's list prices decrease and/or whenever the contractor has a Federal Supply Schedule (FSS) for the same item and that price is reduced to one that is lower than the current unit price on the DLA Troop Support Medical's contract.

16.203-4(a)(2)(94) EPA, other federal agency contracts, E-CAT, medical FAR part 12 solicitations and contracts for the dental, optical, and laboratory integrated delivery system ECAT/CVC program.

(i) Use 52.216-9045, Economic Price Adjustment – Other Federal Agency Contracts – E-CAT– One Upward Adjustment Per Option Period, in medical FAR Part 12 solicitations and contracts for the dental, optical, and laboratory integrated delivery system (LIDS) ECAT/CVC program, where adjustments will be based upon price changes occurring on the contractor's other Federal agency's (OFA) contract for the same items, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, and the resulting contract will be placed on the medical electronic catalog (ECAT) web-based ordering system. Other Federal agency contracts include Federal supply schedules, Department of Veterans Affairs national acquisition contracts, and GSA schedule contracts. Upward adjustments are based on OFA price increases and may be requested by the contractor once annually to cover each option year. No increases are authorized in the base year. Downward adjustments are mandated whenever OFA prices decrease. Prior to award, the contracting officer and the offeror shall reach agreement on the OFA contract to be used as the benchmark for adjusting the DLA Troop Support contract.

(ii) For equipment ECAT Program buys use 52.216-9041, Economic Price Adjustment – Federal Supply Schedule Prices – Open Season E-Cat Solicitation. This clause may be appropriate for other medical ECAT acquisitions. Consult with the pricing and strategy division, DLA Troop Support, prior to use.

16.203-4(a)(2)(95) EPA, other federal agency contracts, E-CAT, in medical FAR Part 12 solicitations and contracts.

(i) Use 52.216-9046, Economic Price Adjustment – Other Federal Agency Contracts – E-CAT, in Medical FAR Part 12 solicitations and contracts (including CVC type buys) where adjustments will be based upon price changes occurring on the contractor's other federal agency's (OFA) contract for the same items, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, the resulting contract is to be placed on the medical electronic catalog (ECAT) web based ordering system, and the concurrence of the pricing and strategy division, DLA Troop Support, is received prior to using the clause. Other Federal agency contracts include Federal supply schedules (FSS), Department of Veterans Affairs national acquisition contracts, and GSA schedule contracts. Upward adjustments may be requested by the contractor whenever the OFA price increases. Downward adjustments are mandated whenever OFA prices decrease. Prior to award, the contracting officer and the offeror shall reach agreement on the OFA contract to be used as the benchmark for adjusting the DLA Troop Support contract.

(ii) For dental, optical, and laboratory integrated delivery system (LIDS) buys use 52.216-9046, Economic Price Adjustment – Other Federal Agency Contracts – E-CAT.

(iii) For equipment ECAT Program buys use 52.216-9041, Economic Price Adjustment – Federal Supply Schedule Prices – open season e-cat solicitation.

16.203-4(a)(2)(96) EPA, established catalog price one upward adjustment per option year e-cat solicitation, in medical FAR Part 12 solicitations and contracts for the dental, optical, and laboratory integrated delivery system ECAT/CVC program.

(i) Use 52.216-9047, Economic Price Adjustment – Established Catalog Price One Upward Adjustment Per Option Year E-Cat Solicitation, in medical FAR Part 12 solicitations and contracts for the dental, optical, and laboratory integrated delivery system (LIDS) ECAT/CVC program where offered prices are based upon established catalog/list prices, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, and the resulting contract will be placed on the medical electronic catalog (ECAT) web based ordering system. Upward adjustments are based on increases in list prices and may be requested by the contractor once annually to cover each option year. No increases are authorized for the base year. Downward adjustments are mandated whenever the contractor's list prices decrease and/or whenever the contractor has a contract with some other federal agency (OFA) for the same item and that price is reduced to one that is lower than the current unit price on Medical's contract. OFA contracts include federal supply schedules, Department of Veterans Affairs national contracts, and GSA schedule contracts.

(ii) For equipment ECAT Program buys use 52.216-9040, Economic Price Adjustment – Established Catalog Price Two Upward Adjustments Per Year Open Season E-Cat Solicitation. This clause may be appropriate for other medical E-CAT acquisitions. Consult with the pricing and strategy division, DLA Troop Support, prior to use.

16.203-4(a)(2)(97) EPA, established catalog price, multiple adjustments authorized per clause terms – E-CAT solicitation, in medical FAR Part 12 solicitations and contracts.

(i) Use 52.216-9048, Economic Price Adjustment –Established Catalog Price – Multiple Adjustments Authorized per Clause Terms – E-CAT Solicitation, in medical FAR Part 12 solicitations and contracts where offered prices are based upon established catalog/list prices, the contracting officer determines an EPA is appropriate, the adjustment scenario below is suitable for the instant acquisition, the resulting contract will be placed on the medical electronic catalog (E-CAT) web based ordering system, and the concurrence of the pricing and strategy division, DLA Troop Support, is received prior to using the clause. Upward adjustments may be requested by the contractor whenever the list price for an item increases. Downward adjustments are mandated whenever the contractor's list prices decrease and/or whenever the contractor has a federal supply schedule (FSS) for the same item and that price is reduced to one that is lower than the current unit price on Medical's contract.

(ii) For dental, optical and laboratory integrated delivery system (LIDS) buys use 52.216-9047, Economic Price Adjustment – Established Catalog Price One Upward Adjustment Per Option Year E-Cat Solicitation.

(iii) For equipment E-CAT program buys use 52.216-9040, Economic Price Adjustment – Established Catalog Price Two Upward Adjustments Per Year Open Season E-CAT Solicitation.

16.203-4(a)(2)(98) EPA, published market price, domestic bulk in domestic bulk fuel.

(i) For DLA Energy only: Insert the clause 52.216-9069 Economic Price Adjustment – Published Market Price – Domestic Bulk In Domestic Bulk Fuel in solicitations/contracts when a price adjustment is based on an independent published price listing.

(A) The clause requires contracting officer fill-in of the applicable ceiling at subparagraph (c)(5), as well as completion of the paragraph (g) with a description of the specific market prices to be used, along with any explanatory notes (notes 2 and 3).

(B) The contracting officer shall coordinate with the market research section before completion of fill in the blank information sections of the clause such as base market, and publication dates, to ensure the accuracy of the information and the correct selection of the market price.

16.203-4(a)(2)(99) EPA, published market price, electricity, heat rate.

(i) Insert the clause 52.216-9068 Economic price Adjustment – Published Market Price – Electricity – Heat Rate in DLA Energy solicitation/contracts for electricity solicitations/contracts when soliciting under the heat rate block and index method.

(A) This clause may be used in markets where natural gas represents a substantial power generation fuel source and the customer requests that DLA Energy purchase electricity using heat rate pricing. Requires contracting officer fill-ins at paragraph (b), subparagraphs (i) and (ii), and paragraphs (c) and (f).

(B) The index to be used must be a natural gas futures price from the New York Mercantile Exchange (NYMEX). If any other index is to be used, the contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base reference price, and publication dates, to ensure the accuracy of the information and the correct selection of the market reference price.

16.203-4(a)(2)(100) EPA, market price, posts, camps, and stations, Korea, Guam, Japan.

(i) Insert the clause 52.216-9071 Economic Price Adjustment – Market Price – Posts, Camps, and Stations - Korea/Guam/Japan in DLA Energy solicitations/contracts for posts, camps, and stations (PC&S) for Korea, Guam or Japan.

(A) The contracting officer is required to insert a header in paragraph (c) for Korea and Guam. When using this clause for Japan, the contracting officer is required to insert a header as well as other language covering delivery and notification (see note 1 to the clause).

(B) The contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base market, and publication dates, to ensure the accuracy of the information and the correct selection of the market price. Refer to note 3 of the clause in reference to coordination with the market research section.

16.203-4(a)(2)(101) EPA, petroleum product price, post camp and station.

(i) Insert the clause at 52.216-9072 Economic Price Adjustment (EPA) – Petroleum Product Price, Post Camp and Station (PC&S) in all domestic PC&S solicitations and resulting contracts.

(A) The contracting officer shall insert applicable date for each publication in paragraph (f). For OPIS, the Monday date of the publication shall be used. The clause requires fill-in information (see paragraphs (b), (c), and (f).

(B) The contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base reference price, upward ceiling, and publication dates, to ensure the accuracy of the information.

16.203-4(a)(2)(102) EPA, petroleum product market price, post camp and station Belgium. Insert the clause at 52.216-9073 Economic Price Adjustment (EPA) – Petroleum Product Market Price, Post Campus and Station (PC&S) Belgium in all PC&S solicitations and resulting contracts for Belgium. equires contracting officer fill-in of paragraph (c)(5). The contracting officer shall coordinate with the

market research section, DLA Energy, before completion of fill in the blank information sections of the clause to ensure the accuracy of the information.

16.203-4(a)(2)(103) EPA, daily market price indicators, ships' bunkers. Insert the clause 52.216-9070 Economic Price Adjustment – Daily Market Price Indicators (Ships' Bunkers) in DLA Energy solicitations and resulting contracts when a daily economic price adjustment escalator is used. Requires contracting officer fill-ins at paragraphs (c) and (f). The contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base reference price, and publication dates to ensure the accuracy of information and the correct selection of the market reference price.

16.203-4(a)(2)(104) EPA, market price and actual transportation cost, natural gas. Insert the clause 52.216-9074 Economic Price Adjustment – Market Price And Actual Transportation Cost – Natural Gas – Alaska in DLA Energy solicitations and contracts for direct supply natural gas in Alaska. Requires contracting officer fill-ins at paragraphs (c) and (f). The contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base reference price, and publication dates to ensure the accuracy of information and the correct selection of the market reference price.

16.203-4(a)(2)(105) EPA, market price indicators, ships' bunkers, weekly. Insert the clause 52.216-9075 Economic Price Adjustment – Market Price Indicators – Ships' Bunkers in DLA Energy solicitations and contracts for ships' bunkers solicitations/contracts when market publications will be used for price escalation on a weekly basis. The contracting officer shall coordinate with the market research section, DLA Energy, before completion of fill in the blank information sections of the clause such as base market, and publication dates, to ensure the accuracy of the information and the correct selection of the market price.

16.203-4(a)(2)(106) EPA, National Contracts – Subsistence. The clause at 52.216-9084 may be included in DLA Troop Support Subsistence solicitations and contracts forNational Contract items. The contracting officer shall complete the fill-ins shown in paragraphs (b), (e), and (k) of the clause. Prior to incorporating the clause into a solicitation or contract or adding additional items to a previously-approved clause, the contracting officer shall submit the clause to the Pricing & Strategy Division for review and approval.

16.203-4(b) Adjustments based on established prices – semistandard supplies.

(1)(S-90) The clause at 52.216-9001 or substantially the same clause may be used with FAR clause 52.216-3.

16.203-4(c) Adjustments based on actual cost of labor or material.

(S-93) An actual cost type EPA clause (FAR 52.216-4 or a locally-developed clause) may be included in solicitations and resulting contracts for an item previously bought without such an EPA clause only after the contracting officer determines that no other type of EPA clause is appropriate and documents in the acquisition plan the results of actions taken in reaching this determination. A provision shall also be included in the solicitation and any resulting contracts that–

(i) Identifies the specific direct cost factor and dollar amount needed to establish the baseline from which adjustments will be made, regardless of whether cost or pricing data was submitted;

(ii) Incorporates by reference, the cost principles and procedures in FAR Subpart 31.2 for use as the basis for pricing the baseline and any adjustment under the EPA clause;

(iii) Identifies any appropriate markup factors/amounts; and

(iv) Provides the methodology for price adjustment calculations.

(1)(90) The clause at 52.216-9002 or substantially the same clause may be used with FAR clause 52.216-4.

(2) The clause at 52.216-9012 may be included in solicitations and resulting contracts for unitized group rations – A (UGR-A) when the requirements of FAR 16.203-2 are met and the determination required by FAR 16.203-3 is made. The clause is based on cost of materials (total components price defined below). There is no adjustment for the distribution price (defined below) for these rations. If the contractor's applicable total components price of a ration component(s) changes (i.e. increase or decrease) after the contract date, the corresponding unit price may be increased, or shall be decreased, by the same amount, subject to upward ceiling discussed in the following paragraph. Clause requires contractor submission of supporting data adequate to support any requested price change.

(3)(S-90) When the FAR "Implementation" DLAD clause is also used with the note specified at 15.204-2(b), the contracting officer shall include the required information in such clause vice the contract schedule.

(4)(iii)(S-90) When the FAR "Implementation" DLAD clause is also used along with the note specified at 15.204-2(b), the contracting officer shall include the required information in such clause vice the contract schedule.

16.203-4(d)(2) Clauses – consumer price index and economic price adjustment.

(S-90) *Adjustments based on cost indexes of labor or material.* An index clause may be included in solicitations and resulting contracts only if the contracting officer documents in the acquisition plan, rationale indicating that the acquisition satisfies the requirements of FAR 16.203-4(d) and DFARS 216.203-4(d). The contracting officer shall select the most appropriate index published by the Bureau of Labor Statistics (BLS). Another index may be used provided the contracting officer determines that no BLS index is suitable and documents in the acquisition plan the specific BLS indexes considered, why they were unsuitable, and rationale demonstrating the suitability of the index selected.

(iv) In the event any applicable index is discontinued or its method of derivation is altered substantially; or the contracting officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall agree upon an appropriate substitute index for determining price adjustments hereunder. The contract shall be modified to reflect such substitute index, effective on the date the index specified in the contract is no longer published or began to consistently and substantially fail to reflect market conditions."

(v) When planning to use an index-type clause which provides for price adjustment, whenever the actual index for a period differs from the projected index for that period sufficiently to trigger a price adjustment, the contracting officer shall ensure that the projected index for each period to be included in the clause at least equals the projected indexes used in pricing the same cost element under the contract.

16.203-4(d)(2)(90) Medical FAR Part 12 solicitations and contracts under the DoD/VA shared procurement program. Use 52.216-9042, Economic Price Adjustment (EPA) – Department of Labor Bureau of Labor Statistics – consumer price index, in medical FAR Part 12 solicitations and contracts under the DoD/VA shared procurement program when the contracting officer determines that an EPA is appropriate, the adjustment scenario below, which is based on changes in the Consumer Price Index (CPI), is suitable for the instant acquisition and the concurrence of the C&P Medical Support Team is received prior to using the clause. Adjustments are based upon changes in the CPI for the expenditure category "prescription drugs and medical supplies" or "nonprescription drugs and medical supplies." Upward adjustments may be requested by the contractor once annually to cover each option year. Downward adjustments during the option years are mandated whenever the CPI goes down. An additional

downward adjustment is mandated whenever the contractor has a federal supply schedule (FSS) for the same item and that price is reduced to one that is lower than the current unit price on Medical's contract.

16.203-4(d)(2)(91) Medical solicitations for readiness items. Use 52.216-9049, Economic Price Adjustment (EPA) of the annual management fee(s) and annual management cost(s) for the option years, in medical solicitations for readiness items which result in corporate exigency contracts or vendor managed inventory contracts. Adjustments are based upon changes in the producer price index for general warehousing and storage. One adjustment is authorized annually to determine the annual management fee(s) and management cost(s) for the upcoming option year. Upward adjustments may be requested by the contractor. Downward adjustments are mandated by the clause. No adjustment is authorized for the base year.

16.203-4(d)(2)(92) Medical solicitations for readiness items. Use 52.216-9050, Economic Price Adjustment (EPA) of the Annual Inventory Holding Fee and Annual Inventory Holding Cost for the Option Year, in medical solicitations for readiness items which result in corporate exigency contracts or vendor managed inventory contracts. Adjustments are based upon changes in the prime rate. One adjustment is authorized annually to determine the annual inventory holding fee and inventory holding cost for the upcoming option year. Upward adjustments may be requested by the contractor. Downward adjustments are mandated by the clause. No adjustment is authorized for the base year.

16.203-4(d)(2)(93) Economic Price Adjustment when offeror does not agree to 52.216-9052.

(i) Use 52.216-9051, Economic Price Adjustment – One Adjustment Per Year – Base Year Only Federal Ceiling Price (FCP) Percentage Adjustment when the offeror will not agree to use 52.216-9052, Economic Price Adjustment – One Adjustment Per Year – Base/Option Year Only FCP Percentage Adjustment and the concurrence of the C&P medical support team is received prior to using the clause.

(A) Upward adjustments may be requested by the contractor and are limited to one per year based upon the change in the FCP. Downward adjustments are mandated whenever the FCP decreases and whenever the contractor has a federal supply schedule (FSS) for the same item and that price is reduced to one that is lower than the current unit price on medical's contract.

(B) FCP adjustments for the base year only are based upon the percentage change in the FCP. Adjustments for the Option Years cannot exceed the Federal Ceiling Price. Accordingly, use this clause if the offeror will not agree to use 52.216-9052, Economic Price Adjustment – One Adjustment Per Year – Base/Option Year Only FCP Percentage Adjustment. FCP adjustments for the base and option years are based upon the percentage change in the FCP.

16.203-4(d)(2)(94) Medical FAR Part 12 solicitations and contracts.

(i) Use 52.216-9052, Economic Price Adjustment – One Adjustment Per Year – Base/Option Year Only Federal Ceiling Price (FCP) Percentage Adjustment, in Medical FAR Part 12 solicitations and contracts for yellow fever vaccine and other appropriate pharmaceutical items which have an annual FCP as required by the Veterans Healthcare Act, the contracting officer determines that an EPA is appropriate, adjustments based upon changes in the FCP, and in some instances decreases in the contractor's Federal Supply Schedule (FSS) price for the same item, are suitable for the instant acquisition, and the concurrence of the C&P medical support team is received prior to using the clause.

(A) Upward adjustments may be requested by the contractor and are limited to one per year based upon the change in the FCP. Downward adjustments are mandated whenever the FCP decreases and whenever the contractor has a FSS for the same item and that price is reduced to one that is lower than the current unit price on medical's contract.

(B) FCP adjustments for the Base and Option Years are based upon the percentage change in the FCP. If the offeror does not agree to base option year adjustments on the percentage change in the FCP, consider using clause 52.216-9051, Economic Price Adjustment – One Adjustment Per Year – Base Year Only FCP Percentage Adjustment.

16.203-4(d)(2)(S-95) Economic Price Adjustment (EPA) – Actual Material Costs for Subsistence Delivered Price Business Model – DLA Troop Support Subsistence Prime Vendor (SPV) Contiguous United States (CONUS).

(i) Insert the clause at 52.216-9064, Economic Price Adjustment (EPA) – Actual Material Costs for Subsistence Delivered Price Business Model – DLA Troop Support Subsistence Prime Vendor (SPV) Contiguous United States (CONUS), in the solicitation and resultant contract for subsistence acquisitions that utilize the delivered price business model to protect the contractor and the Government against unpredictable increases and decreases in actual material costs charged by the contractor's suppliers.

(A) This EPA clause is applicable to CONUS subsistence prime vendor (SPV) procurements.

(B) The contracting officer will fill-in required information in paragraphs (c) and (d). The contracting officer shall coordinate with the DLA Troop Support pricing office before completion of fill-in-the-blank information sections of the clause to ensure the accuracy of the information filled in. The price/cost analyst at DLA Troop Support will also review pricing information included in the statement of work for adequacy/accuracy.

(c) Additionally, for acquisitions that require review and approval by the DLA HQ integrated acquisition review board (IARB), these fill-in paragraphs and statement of work sections will be reviewed for adequacy and accuracy by the DLA HQ price/cost analyst in coordination with General Counsel.

16.203-4(d)(2)(S-96) EPA – actual material costs for subsistence product price business model.

(i) Insert the clause at 52.216-9065, Economic Price Adjustment (EPA) Actual Material Costs For Subsistence Product Price Business Model, in the solicitation and resultant contract for subsistence acquisitions that utilize "the product price business model" to protect the contractor and the Government against unpredictable increases and decreases in actual material costs charged by the contractor's suppliers. This EPA clause is applicable to outside contiguous United States (OCONUS) subsistence prime vendor (SPV) procurements.

(ii) Contracting officer fill-ins are required in paragraphs (b) through (d). The contracting officer shall coordinate with the DLA Troop Support pricing office before completion of fill-in information sections of the clause to ensure the accuracy of the information. The cost/price analyst at DLA Troop Support will also review information on normal and premium distribution price that is included in the Statement of Work for adequacy/accuracy. Additionally, for acquisitions that require review and approval by the DLA Integrated Acquisition Review Board (IARB), these fill-in paragraphs and Statement of Work sections related to normal and premium pricing definitions will be reviewed for adequacy/accuracy by the DLA Acquisition Pricing & CQRs Division cost/price analyst in coordination with DLA General Counsel.

16.203-4-90 Additional clauses – requirements of FAR 16.203-2 and DLAD 16.203.

These clauses can be used only when the requirements of FAR 16.203-2 and DLAD 16.203 are met and the determination required by FAR 16.203-3 is made, and the contracting officer determines that none of the standard FAR EPA clauses are appropriate for use in the acquisition.

(a) Price adjustment for specialty metals. The clause at 52.216-9003 may be included in solicitations and resulting contracts for items containing specialty metals, when the circumstances in FAR 16.203-4(d)(1) exist, unpredictable increases or decreases in the cost of the specialty metal are expected, and the changes can be tracked by a published market price indicator (e.g. London Metals Exchange, Platts). Cost or price

indices that are subject to recalculation after initial publication (to take into account late survey reports and corrections by respondents, e.g., the producers price index (PPI)) shall not be used with this clause. Clause requires contractor submission of information adequate to support derivation of the dollar value of specialty metal(s) in the unit price.

(b) Price adjustment for unitized group rations – A. The clause at 52.216-9012 may be included in solicitations and resulting contracts for unitized group rations – A (UGR-A). The clause is based on cost of materials (total components price defined in the clause). There is no adjustment for the distribution price (defined in the clause) for these rations. If the contractor's applicable total components price of a ration component(s) changes (i.e. increase or decrease) after the contract date, the corresponding unit price may be increased, or shall be decreased, by the same amount (subject to upward ceiling stated in the clause). Clause requires contractor submission of supporting data adequate to support any requested price change.

(c) Price adjustment for lead, battery consignment program. The clause at 52.216-9029 Economic Price Adjustment (EPA) Lead, Battery Consignment Program, may be included in solicitations and the resulting contracts for batteries acquired under the battery consignment program, when the circumstances in FAR 16.203-4(d)(1) exist, unpredictable increases or decreases in the cost of the lead are expected, and the changes can be tracked by the London Metals Exchange standard lead pricing. When setting the "adjustment band", the contracting officer shall determine the percentage that allows the clause to be adequately responsive to fluctuations in the lead market while also minimizing the administrative burden of processing adjustments for minimal prices changes.

(d) Price adjustment for Department of Labor Index.

(1) The clause at 52.216-9030, Economic Price Adjustment – Department Of Labor Index, may be included in negotiated solicitations and resulting contracts when:

(i) Soliciting an item when unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for a component or components of the end item, and the change in cost of production or component prices can be tracked via the Producers Price Index (PPI) published by the Bureau of Labor Statistics (BLS); or soliciting an item when unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for labor, and the change in cost of production can be tracked via the Employment Cost Index (ECI) published by the BLS.

(ii) The circumstances in FAR 16.203-4(d)(1) exist;

(iii) The contracting officer considers the use of this clause appropriate; and

(iv) The requirements of FAR 16.203-3 and DLAD 16.203 are met.

(2) The contracting officer shall coordinate with the applicable procuring organization pricing office before selecting the index, and the number of price adjustments in paragraphs (b)(1) and (c)1, respectively, of 52.216-9030. For procuring organizations for which there is no pricing office, the fill-in sections shall be coordinated with J72.

(f) Economic Price Adjustment (EPA) – Established Market Price – Milk. The clause at 52.216-9032 Economic Price Adjustment (EPA) – Established Market Price Economic Price Adjustment (EPA) – Established Market Price – Milk may be included in solicitations and resulting contracts for extended shelf life (ESL) milk items when the following conditions apply:

(1) The contracting officer has made the determination specified in FAR 16.203-3 that a fixed price contract with an economic price adjustment (EPA) is appropriate,

(2) Items have an established market price,

(3) When the entire or major quantity of milk will be processed outside the state of California, and

(4) Price adjustments will not be made by contract modification.

(i) Clause 52.216-9032 Economic Price Adjustment (EPA) – Established Market Price – Milk Alternate I. Use 52.216-9032 Alternate I in solicitations and contracts for Extended Shelf Life (ESL)

milk when items 1, 2 and 4 apply and the entire or major quantity of milk will be processed in the state of California.

(ii) Clause 52.216-9032 Economic Price Adjustment (EPA) – Established Market Price – Milk Alternate II. Use 52.216-9032 Alternate II in solicitations and contracts for Ultra High Temperature (UHT) milk when items 1, 2 and 3 apply and price adjustments will be made by contract modification.

(iii) Clause 52.216-9032 Economic Price Adjustment (EPA) – Established Market Price-Milk Alternate III. Use 52.216-9032 Alternate III in solicitations and contracts for Ultra High Temperature (UHT) milk items when items 1 and 2 apply, the entire or major quantity of milk will be processed in the state of California, and price adjustments will be made by contract modification.

(g) Clause 52.216-9033 Economic Price Adjustment – Established Prices. This clause may be used in acquisitions when it is known that the items being acquired are commercial items for which manufacturers or suppliers have established, published prices meeting the definition of "market price" or "catalog price" in 16.203(90). Complete paragraph (c)(1) of the clause by inserting the maximum percentage of increase authorized.

(h) Clause 52.216-9034 Economic Price Adjustment – Published Market Price – Silver. The clause at 52.216-9034 may be included in solicitations and resulting contracts for items containing silver, when unpredictable increases or decreases in the cost of silver are expected, the circumstances in FAR 16.203-4(d)(1) exist, and the changes can be tracked by the published market price indicator in the clause.

(i) Clause 52.216-9035 Economic price adjustment – published market price – lead. The clause at 52.216-9035 may be included in solicitations and resulting contracts for items containing lead, when unpredictable increases or decreases in the cost of lead are expected, the circumstances in FAR 16.203-4(d)(1) exist, and the changes can be tracked by the published market price indicator in the clause.

(j) The following evaluation clauses will be used in solicitations when an economic price adjustment clause will be used.

(i) When using negotiation procedures that include an economic price adjustment, use 52.216-9036 Evaluation of offers – Economic Price Adjustment to advise offerors how their prices will be evaluated in regard to the EPA provision.

(ii) When using sealed bidding that includes an economic price adjustment clause, use 52.216-9037 Evaluation Of Bids – Economic Price Adjustment to advise offerors how their prices will be evaluated in regard to the EPA provision.

(k) Clause 52.216-9028 Economic Price Adjustment Labor And Material. The clause at 52.216-9028 may be used when the contractor will propose a material index for use in the economic price adjustment clause.

(l)(1) Clause 52.216-9058 Economic Price Adjustment (EPA) Established Market Price – Wool Cloth. Use the clause at 52.216-9058 in solicitations and contracts for wool cloth or items containing wool cloth. Paragraphs (b)(1), (b)(2) and (d) require the Government to fill-in the specific grade of Australian wool that the EPA applies to and in paragraph (b) fill-in pounds of wool per yard. The pounds of wool per yard will be calculated by DLA Troop Support's pricing element based on prior audits and provided to the contracting officer as necessary. The specific grade will normally be 22 micron (U.S. grade 64'S). However, as market research or other circumstance dictates, contracting officer may complete with the appropriate number ranging from 54'S-70'S or micron equivalent. In all cases, the contracting officer will document the file with the basis for the grade chosen.

(2) The clause at 52.216-9061 may be used in solicitations and resulting contracts for table spreads. The contracting officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the contracting officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of

any items added and/or those that should be deleted from the clause and report to DLA HQ, attention: J73 every two years for review and updating of the clause as necessary.

(3) The clause at 52.216-9062 may be included in solicitations and the resulting contracts for unitized group rations. The contracting officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the contracting officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of any items added and/or those that should be deleted from the clause and report to DLA HQ, attention: J73 every two years for review and updating of the clause as necessary.

(4) The clause at 52.216-9059 may be used in solicitations and resulting contracts for meal cold weather/long range patrol (MCW/LRP). The contracting officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the contracting officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of any items added and/or those that should be deleted from the clause and report to DLA HQ J73 every two years for review and updating of the clause as necessary.

(5) The clause at 52.216-9063 may be used in solicitations and resulting contracts for tailored operational training meal (TOTM). The contracting officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the contracting officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of any items added and/or those that should be deleted from the clause and report to DLA HQ J73 every two years for review and updating of the clause as necessary.

(6) The clause at 52.216-9060 may be included in solicitations and resulting contracts for meal ready to eat (MRE) assembly. The contracting officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the contracting officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of any items added and/or those that should be deleted from the clause and report to DLA HQ J73 every two years for review and updating of the clause as necessary.

(7) The clause at 52.216-9066 may be included in solicitations and resulting contracts for fiberboard boxes, liners and /or other items identified therein, when: 1) unpredictable increases or decreases in the cost of the items are expected; 2) the changes can be tracked by published market prices to be used for price adjustment purposes; 3) the contracting officer considers the use of this clause appropriate; and 4) the requirements of FAR 16.203-2, -3, and -4 are met.

(8) The clause at 52.216-9067, Economic Price Adjustment – Liquid Propane Gas – DLA Distribution, shall be used in contracts for procurement of liquid propane gas (LPG) by DLA Distribution. The clause requires the contracting officer to fill in the appropriate base market price date in paragraph (b)(3). This date should be no later than the date of final proposal revisions. The contracting officer must also fill in the percentage applicable in (c)(4), as determined in accordance with 16.203-3-90 and local procedures. This clause is approved for use by DLA Distribution only.

16.205-4-90 Solicitation provisions and contract clauses.

(a) Contracting officers may use clause 52.216-9038, Price Redetermination- Prospective (DEVIATION - PERMANENT), in contracts, including those subject to FAR Part 12, that meet the criteria in FAR 16.205 for fixed price prospective price redetermination, are determined not suitable for economic price adjustment, and have pricing based on the date supplies are ordered rather than on date of delivery. Reference FARS DEV 13-07.

SUBPART 16.5 – INDEFINITE-DELIVERY CONTRACTS

(Revised June 15, 2015 through PROCLTR 2015-09)

16.501-2-90 General.

(a) Indefinite delivery contracts (IDCs) that enable decentralized ordering shall contain provisions for a designated contracting officer's ordering representative, with the options of (i) placing orders to be paid using their Government-wide purchase card and (ii) ordering against their purchase card, for individual orders not to exceed the simplified acquisition threshold. See 1.603-3-90(a) for policy and procedures regarding contracting officer's ordering representatives.

(1) An exception is authorized only to the extent the prospective contractor refuses to accept the purchase card for ordering and payment which shall be reviewed, approved, and documented in accordance with DFARS 213.270 (b)(1).

(2) The designated contracting officer's ordering representatives using the Government-wide purchase card against IDCs issued by contracting offices of DLA~~s~~ are bound by DLAI 2106, Government Purchase Card.

(c) The requirements of DFARS Subpart 217.74 and DLAD 17.74 shall be met for indefinite-delivery contracts providing for issuance of undefinitized delivery orders (UDOs).

(d) Indefinite-delivery contracts may provide for any appropriate cost or pricing arrangements under Part 16, including firm fixed price, fixed price with economic price adjustment, fixed price with prospective redetermination, or price based on catalog or market prices. When prices are based on catalog or market prices, the price to be paid may be determined by establishing an adjustment factor and applying it to the price in industry-wide pricing guides or manufacturers' price catalogs. Normally, the adjustment factor will be a fixed percentage discount to be applied to the price in effect on the date of each order.

16.503 Requirements contracts.

(d) The determination that award of multiple contracts is not practicable shall be contained in the acquisition plan or otherwise documented in writing prior to issuance of the solicitation.

16.504 Indefinite-quantity contracts.

16.504-90 Solicitations resulting in Indefinite Delivery Contracts (IDCs).

The clause at 52.216-9027, Evaluation of Quantity Sensitive and Indefinite Delivery Contracts (IDCs), shall be used in solicitations which will result in IDCs when it is anticipated that the contractor will offer a price break for high quantity delivery orders. Coordinate with the demand planner manager for establishment of the quantity most likely to be procured for each delivery order. The highest weight should then be assigned to this quantity. The standard form (SF) 36 shall be manually typed in the buying section to show the range of order quantities and to reflect the evaluation weight which will be placed upon the specific quantity range. The contracting officer shall also provide the contractor with an estimate of the annual requirements.

(a) The Government's quantity limitations may be stated in different ways; for example, as a number of items or a dollar value worth of items. Stating the Government's minimum/maximum liability for the entire contract is appropriate for multiple line item contracts when, due to the unique nature of the requirement, it is difficult or impossible to predict, prior to solicitation, the number of individual items needed. The contracting officer must balance the risks inherent in providing more specific limitations with the increased risk to the contractor, and possible increased cost to the Government, of providing less specific limitations.

(b) The determination not to make multiple awards shall be contained in the acquisition plan or otherwise documented in writing in the contract file.

(1)(ii)(D)(S-90) Single award of a task or delivery order contract.

(a) "Awarded to a single source" means the award of any task or delivery order contract where task or delivery orders will not be competed between contract holders. "Task or delivery order contract" does not include orders against task or delivery order contracts.

(b) Award of task or delivery order contracts between $10 million and the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) to a single source requires HCA approval (unless delegated to the CCO)), or CCO approval for those DLA organizations for which the, DLA Acquisition Deputy Director is the HCA. DLA Energy's energy program contracts, AbilityOne, and FPI contracts when it is determined to be a mandatory source in accordance with FAR 8.602(a)(3), are not subject to this requirement; however, DLA Energy non-energy task and delivery order contracts are subject to this requirement.

(c) Single awards over the threshold at FAR 16.504(c)(1)(ii)(D)(*1*)

(1) Preferably within the early stages of the acquisition process, but no less than 21 days before contract award, the contracting activity responsible for the acquisition shall submit a Determination and Findings (D&F) document to the DLA Acquisition Operations Division substantially the same as the template(s) provided in PROCLTR 2009-14, for a single award D&F – Fixed Price Orders and Single Award DF – Sole Source. Note that a D&F can specify the solicitation number, so that any single award contract over the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) that results will be covered. The D&F shall include sufficient detail to fully support the application of one or more of the exceptions at FAR 16.504(c)(1)(ii)(D)(*1*) to the procurement.

(2) It is anticipated that many D&Fs in DLA will utilize the FAR 16.504(c)(1)(ii)(D)(*1*)(*ii*) exception for contracts providing only firm fixed price task or delivery orders. Fixed price contracts utilizing an economic price adjustment or price redetermination clause qualify for this exception if the individual delivery or task orders under the contracts are firm-fixed priced using prices established in the contracts.

(d) The required written D&F to make a single award of a task or delivery order contract over the threshold at FAR 16.504(c)(1)(ii)(D)(*1*) shall be signed by the Director, DLA Acquisition (J7), to whom the DLA Director has delegated Head of Agency authority.

(e) Copy of the determination. The DLA Acquisition Policy Division will provide a copy of determinations signed by the DLA Acquisition Director to the Defense Procurement Deputy Director (Contract Policy and International Contracting).

16.505 Ordering.

(a)(S-90) A delivery order must be issued for any quantity ordered, including a quantity ordered concurrent with award of a basic contract.

(a)(5) DLA Form 1224, Shipping Instruction, may be used to issue automated orders under indefinite-delivery contracts not exceeding the simplified acquisition threshold.

(b) *Orders under multiple-award contracts*–

(1) *Fair opportunity*. Solicitations shall advise offerors that (i) the competition requirements of FAR Part 6 do not apply to placement of individual task and delivery orders; (ii) individual orders shall be placed in accordance with the selection criteria specified in the solicitation/contract; and (iii) complaints about the placement of individual orders shall be reviewed by the activity competition advocate.

(2) *Exceptions to the fair opportunity process*. The determination not to provide all awardees a fair opportunity to be considered for a particular order in excess of $3,000 should be documented in the order file.

(8) *Task-order and delivery-order ombudsman*. The competition advocate at each contracting activity/office (as defined in 2.101) shall act as the activity task and delivery order contract ombudsman

pursuant to FAR 16.505(b)(8). The ombudsman shall attempt to resolve contractor complaints relative to placement of individual task and delivery orders at the local level. Complaints which cannot be so resolved shall be forwarded to the HQ through J72 for resolution by the DLA competition advocate. Each activity is responsible for developing procedures for executing the duties and responsibilities of its local ombudsman. The competition advocate at each contracting activity/office (as defined in 2.101) shall act as the activity task and delivery order contract ombudsman pursuant to FAR 16.505(b)(8).

(b)(S-90) Use 52.216-9022, Placement of Task/Delivery Orders Against Multiple Indefinite Delivery Contracts as needed to indicate delivery order procedures in multiple award indefinite delivery contracts pursuant to FAR 16.504. Indicate in the clause whether price for the task or delivery order is significantly more, less, or approximately equal in importance to all other factors combined.

16.506 Solicitation provisions and contract clauses.

16.506(90) Additions or deletions.

The clause at 52.216-9006 may be used in solicitations when a mechanism is needed for making additions or deletions to items covered by the contract, e.g. corporate contracts, long term contracts (LTCs) incorporating a manufacturer's price list, comprehensive weapon system spare parts support or a specific range of items.

(1) Competition requirements must be addressed before new items may be added to a contract.

(2) A scope of contract statement is necessary in both solicitation and contract to clearly establish the Government's intentions and rights under the contract. The contract scope statement should communicate a comprehensive objective for the acquisition, i.e. whether it is based on a specific stock class, weapon system, product line, manufacturer, or distributor. The scope statement must not include information that conflicts with Section B or other terms of the solicitation. Contracting officers have flexibility in defining contract scope but must be careful to avoid ambiguities.

16.506(91) Contract and/or delivery order limitations.

(a) The contracting officer may use the clause at 52.216-9007, Contract and Delivery Order Limitations, in conjunction with FAR 52.216-19 to establish contract and/or delivery order limitations.

(b) The clause at 52.216-9008, Offeror's Quantity Limitations, may be used when the contracting officer anticipates the receipt of offers containing quantity limitations.

(c)(2) The contracting officer may use the clause at 52.216-9010, Contract Quantity Limitations, in solicitations for indefinite quantity contracts using information furnished by the Item manager.

(d) The contracting officer may use the clause at 52.216-9010, Contract Quantity Limitations, in conjunction with FAR 52.216-27 to establish quantity limitations for single, split, or multiple awards of indefinite-quantity contracts.

(f) The contracting officer may use the provision at 52.216-9024, Adjustment to Ordering Period, in conjunction with FAR 52.216-18, Ordering, in solicitations for definite-quantity, indefinite quantity, or a requirements contract, when the Government may need to adjust the ordering period at time of award. Fill in the assumed award date.

16.506-92(a) Evaluation of Offers for Indefinite Delivery Type Solicitations.

(1) The contracting officer may use the provision at 52.216-9013, Evaluation of Offers for Indefinite Delivery Type Solicitations, to indicate to offerors how prices for quantity increments will be evaluated in solicitations for indefinite delivery contracts. If (c)(5) is selected, use when transportation costs will be evaluated and do not use FAR 52.247-50, No Evaluation of Transportation Costs.

(2) Use alternate I when not using the specified weights, but rather assigning the greatest weight to the quantity increment most likely to be procured for each delivery order.

16.506-93 Area requirements.
(a) Use 52.216-9014, Area Requirements – Tentative Destinations, in solicitations permitting f.o.b. origin offers when it is desired to list one or more tentative destinations, each designating an area consisting of certain specified states or geographic areas.
(b) Use 52.216-9015, Area Requirements- Contiguous U.S., in solicitations and contracts for IDCs and IDPOs when the industry practice is to offer one price for delivery anywhere within the contiguous United States (48 contiguous states and the District of Columbia).

16.506-94 Construction and equipment solicitations for IDCs/IQCs.
(a) Insert the provision at 52.216-9019, Area Requirements – East and West of Mississippi, in construction and equipment solicitations for IDCs/IQCs specifying f.o.b. destination only, covering items of supply or national stock numbers (NSNs) which are divided into requirements for delivery east and west of the Mississippi River, within the continental United States, excluding Alaska, and the procurement is not partially set aside.
(b) The clause requires the use of odd numbered items (i.e., 0001, 0003, 0005, etc.) for requirements scheduled for delivery east of the Mississippi River and even numbered items (i.e., 0002, 0004, 0006, etc.) for requirements scheduled for delivery west of the Mississippi River.

16.506-95 Medical prime vendor requirements.
Use a clause substantially the same as 52.216-9020, Prime Vendor Requirements, in medical pharmaceutical prime vendor solicitations and contracts when an indefinite delivery modified requirements contract is contemplated. 52.216-9020 is to be used only for acquisitions in the medical supply chain.

16.506(96) Invoices for delivery orders against federal supply schedules.
Use 52.216-9025, Invoices for Delivery Orders, in delivery orders against federal supply schedules assigned to DLA Aviation for administration.

16.506(96)(b) Pricing of delivery orders with quantity increments.
Use 52.216-9026, Pricing of Delivery Orders with Quantity Increments, in solicitations and awards for long term contracts which provide for shipment to more than one location and include quantity range pricing. Use when transportation costs will be relatively small compared to the cost of the item or when the contract price will be f.o.b. origin.

16.506-97 Restitution.
(a) Insert the clause at 52.216-9083, Restitution, in indefinite delivery solicitations and contracts for items where restitution applies and the vendor is in the European Union, with required text filled in by the contracting officer.

SUBPART 16.6 – TIME AND MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

16.601 Time and materials contracts.

16.601-90 Monitoring and reporting.
(a) Supply chains shall annually monitor their percentage of acquisition dollars being spent on time and material (T&M)/ labor hour (LH) contracts and orders. At the earliest opportunity, particularly when a service contracting requirement becomes repetitive and more predictable in nature, contracting officers

should migrate T&M/LH vehicles to other contract types, preferably a fixed price arrangement, if possible. Of particular focus should be the use of T&M/LH contracts and orders for professional, administrative, management support, information technology, and communication services.

(b) HCAs and, for activities for which the DLA Acquisition Deputy Director is the HCA, CCOs shall report to the J7 CAE at the close of the calendar year any percentages of T&M/LH contract action dollars for the preceding fiscal year exceeding 8 percent of service dollars, including a discussion of the supply chain's strategy to decrease the use of T&M/LH contract type and the risk mitigation measures being used in administering these contract types.

(c) Limitations. Not to exceed" price ceilings shall be included in each option and delivery order.

16.603 Letter contracts.

16.603-3 Limitations.

(a) See DFARS 217.74 and subpart 17.74 for additional requirements for the use of letter contracts.

(b) The determination required by FAR 16.603-3 shall be included with the DFARS 217.7404-1 authorization request.

16.603-90 Policy.

The policy and procedures of DFARS 217.74 and PGI 217.74 are applicable to letter contracts. See also DLAD 17.7403-90.

PART 17 – SPECIAL CONTRACTING METHODS

(Revised September 19, 2016 through PROCLTR 2016-09)

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SUBPART 17.1 – MULTIYEAR CONTRACTING

17.104 General.

(a) DLA contracts that have a base and/or an option period of performance greater than one year that includes more than one year's worth of requirements are not considered multi-year contracts as set forth in FAR/DFARS 17.1 or as defined in the DoD Financial Management Regulation if 1) they are funded exclusively with working capital funds, and 2) funds are fully obligated at time of award to cover the contract commitment (i.e., guaranteed minimum).

(b) The authority to approve modification of cancellation provisions pursuant to FAR 17.104(b) is delegated to heads of contracting activities (HCAs). HCAs may further delegate this authority, without power of redelegation, to the chief of the contracting office at each of the contracting activities.

(c) The authority to enter into a multiyear contract for supplies pursuant to FAR 17.105-1(b) is delegated to heads of contracting activities (HCAs). HCAs may further delegate this authority, without power of redelegation, to the chief of the contracting office at each of the contracting activities. Contracting offices not designated as contracting activities (see 2.101) shall forward requests to enter into a multiyear contract for supplies to the DLA Acquisition Deputy Director for approval.

(d) For DLA Energy, the authority to enter into a multiyear contract for services pursuant to FAR 17.105-1(c) is delegated to the HCA, with redelegation permissible to the Chief of the Contracting Office only.

17.171 Multiyear contracts for services.

(a)(v)(3) For DLA Energy, the responsibility for making the determination required by DFARS 217.171(a) is delegated to the DLA Energy HCA. The DLA Energy HCA may further delegate this authority, without power of redelegation. The responsibility for making the determination required by DFARS 217.171(a)(3) is delegated to the Commander, DLA Disposition Services, with power of redelegation to the Director, Directorate of Contracting, DLA Disposition Services-P, for contractual actions not exceeding $10 million in total procurement value and for which the cancellation ceiling does not exceed $500,000. The delegation is unlimited for multiyear determinations when a cancellation ceiling of $0 is included.

SUBPART 17.2 – OPTIONS

(Revised October 21, 2015 through PROCLTR 2015-12)

17.202-90 Use of options.

(a) The requirements of DFARS subpart 217.74 and subpart 17.74 shall be met for surge, emergency, services or other options which are undefinitized at time of exercise by the Government, i.e., an undefinitized option (UO).

17.203-90 Solicitations.

(d) If a contract will have separately priced options, for quantities or periods, and include an economic prive adjustment that applies to the options, the contracting officer will prevent overpricing by requesting a price buildup in the schedule (see 52.214-9000). The price buildup will identify the portions of the price (basic and option) subject to EPA and firm-fixed price portion. The firm-fixed portion of the option price may exceed the comparable portion of the basic award price.

17.204-90 Contracts.

(e)(1) HCAs are authorized to approve use of contracts exceeding 5 years and up to 10 years (including base and options), provided no statutory restriction limits the term of the contract or specifically authorizes a longer duration. Include the HCA signed memorandum to the contract file that fully explains the unusual and special circumstances that justify a contract length beyond 5 years.

(2) Requests to DLA Acquisition Operations (J72) for approval of an ordering period in excess of 10 years or for approval of an order performance period to extend more than a year past the end of the ordering period shall be submitted with the signature of the contracting activity HCA or contracting office CCO, as applicable. Requests for a longer ordering period or performance period shall include an in-depth analysis of the unique circumstances that necessitate the longer period. The analysis shall clearly discuss what other alternatives were examined and why they are not considered viable. Ensure the extended ordering period is not due to inadequate procurement planning.

(4) At the close of each fiscal year, J72 will submit a consolidated report to the Director, Defense Procurement and Acquisition Policy and Acquisition Policy (OUSD(AT&L) DPAP) listing all DLA approvals of ordering period extensions granted during the year with a detailed justification for each.

17.206-90 Evaluation.

(b) The determination not to evaluate an option prior to contract award (or definitization, if an undefinitized contract) shall be in the contract file. Unevaluated options shall not be used except in unusual circumstances.

17.207-90 Exercise of options.

(a) In making decisions whether to exercise options on contracts, the contracting officer shall evaluate whether a firm has or has not performed in accordance with its small business concerns subcontract requirements in the contract. The Defense Contract Management Agency's small business offices shall be used to assist in assessing a contractor's compliance with these requirements.

(b) When performing an informal analysis of prices in order to determine if the option price is better than prices available in the market, the contracting officer shall perform a review of actual demands versus estimated demands and use this information in the analysis.

SUBPART 17.5 – NON-ECONOMY ACT INTERAGENCY ACQUISITIONS

17.502 Scope of subpart.

(a)(1) DLA normally receives a requirement from a requesting activity and executes that requirement by one of three methods: (i) delivery from DLA stock; (ii) individual DLA procurement or ordering against a DLA contract; or (iii) ordering against a non-DLA contract. Because the DoD policy on non-Economy Act orders is largely concerned with transfers of funds to a non-DoD activity for execution of a requesting

activity's requirement, normally DLA's transactions will not be directly affected by the DoD policy. There are some instances, however, when DLA activities use assisted acquisitions for internal support, and the DoD policy would be applicable in full.

17.503 Justification for use.
For assisted or direct acquisitions valued over the SAT, the file shall be documented that the following conditions are met:
(a) Proper funds are available.
(b) The non-Economy Act order does not conflict with another agency's designated responsibilities (e.g., real property lease agreements with GSA).
(c) The requesting agency or unit and, if different, the DLA procuring organization, determines that the order is in the best interest of the Department or Agency. Some factors in the determination include, but are not limited to:
(1) Ability to satisfy the requirements.
(2) Schedule, performance, and delivery considerations.
(3) Cost-effectiveness and cost reasonableness, taking into account discounts, fees, surcharges, and the like of the performing agency.
(4) Contract administration, including oversight.
(d) The performing activity has the ability and authority to provide the ordered goods or services.
(e) The performing activity will abide by Defense-unique terms, conditions, and reporting requirements, as identified by the requiring activity and/or the DLA contracting officer and submitted via the ordering documentation.

17.504 Ordering procedures.
(a) Non-Economy Act assisted acquisition orders for work and services outside the Department of Defense should ordinarily be executed by issuance to the non-DOD agency of a DD Form 448, "Military Interdepartmental Purchase Request (MIPR)." In those instances where an alternative document such as a DD 1348-1 or -6 is used, it must provide information consistent with the MIPR, to include the purchase request number and the Activity Address Code (DoDAAC). A non-Economy Act order placed by DLA for its own use or in support of a military customer shall comply with the documentation standards in Volume 11A, Chapter 1 of the DOD Financial Management Regulations (FMR).
(b) Non-Economy Act requests for support from a customer to DLA must include the following, as must assisted acquisition orders from DLA to a non-DOD agency:
(1) A firm, clear, specific, and complete description of the goods or services ordered. The use of generic descriptions is not acceptable. If the description is contained in more than one document, such as an item listing on one page and a price list on another, the documents should refer to one another, and the obligation document (e.g., MIPR or manual requisition) should be signed by a responsible official from the requesting activity.
(2) Specific delivery or performance requirements.
(3) A proper fund citation.
(4) Payment terms and conditions (e.g., direct cite or reimbursement; provisions of advanced payments).
(5) Department of Defense Activity Address Code (DoDAAC).
(6) In the case of assisted acquisition orders, the DLA order to the non-DOD agency must also include specific non-Economy Act statutory authority, such as the Acquisition Services Fund, through which purchases are authorized to be made from the General Services Administration (GSA) (see 41 U.S.C. 251 et seq. and 40 U.S.C. 501); or Franchise Fund authority (first established by P.L. 103-356, Title IV,

section 403; see 31 U.S.C. 501 note), by which other Federal agencies may enlist the support of the Departments of the Treasury or Interior, among others.

(d) For non-Economy Act orders valued greater than the simplified acquisition threshold, the requesting official must provide, for both assisted and direct acquisitions:

(1) Market research and acquisition planning. The DLA contracting officer or other contracting official must either receive the market research and acquisition planning from the requiring activity, or accomplish them him- or herself, and prepare or provide documentation thereof for inclusion in the contract file.

(2) A statement of work that is specific, definite, and certain in terms of both the work encompassed by the order and the terms of the order itself.

(3) Terms, conditions, and requirements to comply with applicable DOD-unique statutes, regulations, directives and other requirements.

17.505 Contracting officer review.

(a) DoD policy requires DoD-warranted contracting officer review of all non-Economy Act orders over $500,000. DLA policy requires that a DLA warranted contracting officer review the assisted acquisition from a non-DoD entity of either supplies or services valued over the simplified acquisition threshold. This review must be accomplished prior to sending the order to the funds certifier or issuing the military inter-departmental purchase request (MIPR) to the non-DoD activity. If the requesting official is different from the contracting officer, the requesting official shall also review the acquisition package to ensure compliance with FAR, and DFARS. Requirements will not be split into smaller amounts in order to avoid contracting officer review.

17.506 Fiscal matters.

(a) Certification of funds. Non-Economy Act orders are subject to the same fiscal limitations that are contained within the appropriation from which they are funded. Because the performing entity may not be aware of all appropriation limitations, the DLA certifying official in the Financial Management (J8) organization must certify that the funds leaving the Agency that are cited on the order—

(1) Are available;

(2) Meet a need of the requesting entity, and are currently available for obligation; and

(3) Are for the purpose designated by the appropriation, or may properly be used for the intended purpose.

(b) Prohibitions. Non-Economy Act orders may not be used to violate provisions of law, nor may they be used to circumvent conditions and limitations imposed on the use of funds, to include extending the period of availability of the cited funds.

(c) Bona fide need.

(1) Non-Economy Act orders citing an annual or multi-year appropriation must serve a bona fide (that is, legitimate) need arising, or existing, in the fiscal year or years for which the appropriation is available for new obligations.

(2) If the requiring activity is providing operations and maintenance (O&M) funds ("one-year money") or other annual appropriations that are only available for obligation for a specific period, the facts that the requirement is submitted to a revolving fund (for example, Defense Working Capital Fund (DWCF)) activity on a reimbursable basis, and that the revolving fund activity will obligate "no-year money" for the actual acquisition, do not extend the life of the requiring activity's funds. In the following situations, the order must be placed or an agreement entered into before the requiring activity's appropriation expires (i.e., is no longer available for new obligations):

(i) The transaction between the requiring activity and the Revolving Fund activity is an Economy Act transaction (this is not applicable if the transaction is pursuant to DLA's IMM authority under DoD 4140.1-R and 4140.26-M); or

(ii) The requiring activity's funds will be cited on the order or agreement with the non-DoD activity.

(iii) When DLA accepts a MIPR (generally via return of the DD Form 448-2 to the customer) or other requisition (i.e., the DD Form 1348-1 or -6), and the customer's requirements are specified in the MIPR or requisition with sufficient detail to satisfy 31 U.S.C. 1501 (see (d), below), this creates a binding obligation between the two Defense entities, and obligates the customer's funds to DLA. In the situations in (2)(i) and (ii), above, DLA must, in turn, obligate funds to the non-DoD agency during the fiscal year for which the customer's funds are available. If these situations are not applicable (e.g., if DLA is obligating DWCF), it may be done during the fiscal year for which the customer's funds are available, or as soon thereafter as reasonably possible.

(d) Obligation. In accordance with 31 U.S.C. 1501, an amount shall be recorded as an obligation only when supported by documentary evidence of an order required by law to be placed with an agency, or upon meeting all the following criteria:

(1) There is a binding agreement between an agency and another person (including an agency).

(2) The agreement is in writing. This writing must be specific, definite, completely descriptive of the goods or services being acquired, and traceable to the ultimate transaction for fulfillment of the requirement. If more than one document is involved (as with manual requisitions), each should refer to the other(s) in order to constitute a complete requirements package. The MIPR or manual requisition must include the signature of a person authorized to certify funds (availability and usage), or otherwise demonstrate that the funds have been properly certified by a person authorized to certify funds.

(3) The agreement is for a purpose authorized by law.

(4) It serves a bona fide need arising, or existing in, the fiscal year or years for which the cited appropriation is available for obligation.

(5) In the situations described in (c)(2)(i) and (ii), above, it is executed before the end of the period of availability for new obligation of the appropriation or fund used.

(6) It provides for specific goods to be delivered or specific services to be supplied.

(e) Deobligation.

(1) Although funds deobligation, per se, is not a contracting function, the deobligation process for interagency acquisitions must be set in motion by a contracting official or program manager. The contracting officer who contributed to or reviewed the acquisition plan in accordance with 7.9001(a)(90), 7.9002(a), 7.9003(a), and 17.503, above, or post-award personnel from that contracting officer's office, shall be responsible for, or shall ensure that the program manager or other requirements generator is aware of his/her responsibility for, tracking funds' "burn rate" and usage commensurate with contractor performance. These parties (contracting officer, post-award contracting official and/or program manager) will also provide notice to the comptroller organization to proceed with funds deobligation, as applicable.

(2) Supplies. In an assisted acquisition, if goods are ordered but not delivered, and the availability of the funds provided to a non-DoD performing agency for the supplies thereafter expires, the funds shall be deobligated and returned by the performing agency, unless the request for goods was made during the period of availability of the funds and the item(s) could not be delivered within the funds' period of availability solely because of delivery, production or manufacturing lead time, or unforeseen delays that are out of the control of, and not previously contemplated by, the contracting parties at the time the contracting action was taken. Therefore, where materials cannot be obtained in the same fiscal year in which they are needed and contracted for, provisions for delivery in the subsequent fiscal year do not violate the bona fide need rule, as long as the time intervening between contracting and delivery is not excessive, and the procurement is not for standard commercial off-the-shelf (COTS) items readily

available from other sources. The "reasonable period" of performance should, if possible, be limited to the first quarter of the next fiscal year. The delivery of goods may not be specified to occur in the year subsequent to funds availability.

(3) Severable services. An agreement for severable services may, according to 10 U.S.C. 2410a, begin in one fiscal year and end in the next, provided that the period of performance does not exceed one year (exclusive of options). Thus, the performance of severable services may begin during the funds' period of availability, and end one year from the beginning date (see DFARS 232.703-3(b)). Therefore, annual appropriations provided to a non-DoD performing agency in an assisted acquisition that have expired must be deobligated, unless the performance of the services requested began during the funds' period of availability, and the period of performance does not exceed one year. The annual appropriation from the earlier fiscal year may be used to fund the entire cost of the one-year period of performance; however, an annual appropriation may not be used to enter into a severable services agreement where the period of performance for services requested is entirely in the following fiscal year. In no instance may the period of performance extend beyond September 30th of the subsequent year for services funded with annual appropriations.

(4) Non-severable services. Non-severable services contracts must be funded entirely with appropriations available for new obligations at the time the contract is awarded; nevertheless, the period of performance may extend across fiscal years. Funds provided to a non-DoD performing agency that become excess (e.g., a requirement has been fully satisfied and funds remain obligated but unexpended for that requirement) shall be deobligated.

(5) Excess or expired funds.

(i) Activities shall reconcile all obligations and remaining funds available for orders. This is the responsibility of the contracting officer, post-award contracting official or of the program manager or other requirements generator, as applicable. The purpose of this reconciliation is to ensure the proper use of funds and to identify and coordinate the return of expired or excess funds. In an assisted acquisition, excess or expired funds must be returned by the non-DoD performing agency and deobligated by the requesting agency to the extent that the performing agency or unit filling the order has not—

(A) Provided the goods or services, or incurred actual expenses in providing them; or

(B) Entered into a contract with another entity to provide the requested goods or services.

(ii) Expired funds shall not be available for new obligations.

17.507 Follow-up procedures for non-Economy Act transactions.

(a) Oversight. The DLA contracting officer shall ensure, in both assisted and direct acquisitions that the requesting official has established a satisfactory quality surveillance plan for non-Economy Act orders in excess of $100,000 to facilitate the oversight of the goods provided or services performed by the performing agency. If DLA is making a direct or assisted acquisition on behalf of a customer activity, the DLA contracting officer must ensure that the requestor produces this plan. The plan should include:

(1) Contract administration oversight in accordance with the surveillance plan;

(2) A process for receipt and review of receiving reports and invoices from the performing agency/contractor;

(3) Reconciliation of receiving reports and invoices; and

(4) Requirements for documenting acceptance of the goods received or services performed.

(b) Fund status monitoring. The requesting official (i.e. the customer or program manager, with the assistance of the DLA contracting officer or post-award contracting official, as appropriate) must monitor fund status to:

(1) Monitor balances with the performing agency;

(2) Conduct tri-annual reviews of non-Economy Act orders in accordance with the Financial Management Regulation, Volume 3, Chapter 8, Section 0804, "Tri-Annual Review of Commitments and Obligations," in conjunction with the Financial Management/J8 organization;

(3) Confirm open balances with the performing agency;

(4) Coordinate the return of funds from the non-DOD performing agency in accordance with 17.504(d); and

(5) Coordinate with the accounting office to ensure timely deobligation of funds.

(c) Payment. In assisted acquisitions, payment shall be made promptly upon the written request or billing of the performing agency/contractor. In assisted acquisitions and under specific conditions, payment to the performing agency may be made in advance or upon delivery of the supplies or services ordered, and shall be for any part of the estimated or actual cost, as determined by the performing agency.

(1) The requesting official and supporting DLA contracting or program office must be cognizant of the performing agency's payment method. Should the performing agency elect to receive advances or conduct advance billing prior to providing goods or services, the requesting official and/or DLA contracting or program office, as appropriate, must comply with the requirements pertaining to advances of public money outlined in Volume 4, Chapter 5 of the "DOD Financial Management Regulation," which implements the general prohibition against advance payments contained in 31 U.S.C. 3324 and 10 U.S.C. 2307. When the conditions under which the advance was made are satisfied, the specific appropriation or law authorizing the advance must be cited on the order, and any unused amounts of the advance shall be collected from the performing agency immediately and returned to the fund from which originally made.

(2) Payments made for services rendered or supplies furnished may be credited to the appropriation or fund of the agency performing the reimbursable work.

(d) Order close-out. All non-Economy Act orders shall be reviewed by the requesting official to determine if they are complete. Completed orders shall be fiscally closed out. The requesting official (or DLA contracting or program office, as appropriate) shall reconcile funds and coordinate the return of excess or expired funds held by the performing agency. This review shall include:

(1) Determination and identification, if applicable, of any outstanding invoices;

(2) Determination and identification of existence of excess or expired funds;

(3) Coordination of return of funds from the non-DOD performing agency, in accordance with 17.504(d); and

(4) Coordination with the accounting office to ensure the deobligation of funds.

SUBPART 17.74 – UNDEFINITIZED CONTRACT ACTIONS

17.7403-90 Policy.

(a) All proposed undefinitized contract actions (UCAs), regardless of value, and all unpriced change orders with an estimated value exceeding $5 million must be approved as established herein before issuance by the contracting officer.

(2) Contracting officers shall ensure that contractors understand that no work is to be performed until the proposed UCA is properly approved and awarded, and that anything done and any costs incurred in anticipation of the UCA are at the contractor's own risk and will not result in Government liability or be reimbursed by the Government under the UCA.

(3) The CCO (or a local UCA monitor, where designated) shall:

(i) Monitor the activity's usage of UCAs for conformance with the DLAD and higher level regulatory requirements;

(ii) Ensure UCAs are correctly coded in the Federal Procurement Data Dystem – Next Generation (FPDS-NG); and

(iii) Prepare and forward the activity's report~~s~~, including a negative report, electronically to J72 semi-annually each fiscal year, no later than March 31 and September 30. Follow the procedures in DFARS PGI 217.74 for reporting and submit the report to J72, who will consolidate reports for forwarding to DPAP.

17.7404 Limitations.
(a) The definitization schedule shall include milestone dates for receipt by the contracting officer of a qualifying price proposal that provides the required cost or pricing data (certified or uncertified as appropriate), normally within 30 calendar days following award, and for beginning negotiations.

17.7404-4-90 Limitation on obligations.
(a) Upon receipt of required information, the contracting officer shall assess the contractor's performance, the liquidation rate and determine whether a change in the predefinitization obligation rate pursuant to DFARS 217.7404-4 is warranted. The assessment and conclusions shall be documented in the contract file. (These requirements are not applicable to unpriced purchase orders (UPOs).)

17.7404-5-90 Exceptions.
(a) Director, DLA Acquisition (J7), approval is required to use any of the exceptions in DFARS 217.7404-5.

SUBPART 17.75 – ACQUISITION OF REPLENISHMENT PARTS

(Revised September 19, 2016 through PROCLTR 16-09)

17.7502 General.
(b)(2)(S-90) Use 52.217-9023, in solicitations when the acquisition is restricted to material manufactured by the sources listed on the source control drawing, as indicated by AMSC code B.

17.7505 Limitations on price increases.
(a) Contracting officers are required to notify the responsible HCA of price variances for replenishment parts buys as follows: The thresholds for simplified acquisition price increase notification to the HCA are a minimum of 51 percent for micro-purchases and a minimum of 25 percent between the mico-purchase and simplified acquisition level, after adjustments specified in DFARS 217.7505. Notification to the HCA shall be provided via email prior to award.

17.7506 Spare parts breakout program.
Part 1 – General.
1-101 Applicability.
(a)(1) All DLA except that DLA Energy and DLA Troop Support clothing and textile (C&T) and medical and subsistence will implement only those portions of the DFARS that are applicable, in the reduction of noncompetitive parts.
Part 2 – Break-out coding.
2-202 Assignment of codes.
2-202-90 Assignment of codes.
(a) A competitive acquisition method code (AMC) 1 or 2 shall be assigned to a part when a complete technical data package is available, or when there are two or more approved independent manufacturing sources, or when a non-manufacturing prime and the actual manufacturer both independently contend for contracts.

(b) When parts are received that are coded AMC 5, care shall be taken to assure the item is acquired only from the prime contractor although the engineering data identifies the CAGE and part number of a source other than the prime contractor. These parts should be considered likely candidates for breakout to direct purchase from AMC 5 to AMC 4.

(c) In the case of parts with an assigned acquisition method suffix code (AMSC) of U or V, if another source is approved, but a complete technical data package for unrestricted competition is not available, the AMC will be changed to 2 and the AMSC will be changed to AMSC C or R, or other, as appropriate. Only valid combinations of AMC/AMSCs shall be entered into the contracting technical data file.

2-203 Improving part status.

(b) Code suspense dates.

A 1-year code suspense validation date will be assigned to parts with an ASMC of A, H, or Y regardless of the AMC.

A 3-year suspense date will be assigned to parts having an AMSC of C, U, or V.

A 5-year suspense date will be assigned to parts with an AMSC of B, P, or R and parts with an AMC/AMSC of M or 4M. Parts with an assigned AMC/AMSC of 1G, 2G, 1K, 2K, 1M, 2M, 1N, 2N, 1T, or 2T and those with an AMC/AMSC of 1G, 2G, 1K, 2K, 1M, 2M, 1N, 2N, 1T, or 2T and those with an AMSC of L need not be subject to the code suspense validation.

Exceptions may be made on a case-by-case basis as necessary, and may be approved one level above the Contracting Officer.

Suspense dates should not be changed merely to update the assigned date but should be made in conjunction with a review or screen based upon an anticipated forecast or immediate buy action. Buys shall not be held up simply to review the part for application of a new suspense date, unless the contracting officer determines that the buy can be held up until the review and any breakout action is completed (see DFARS PGI 217.7506 1-105 (e)(2)).

Part 3 – Identification, selection, and screening of parts.

3-301 Identification and selection procedures.

3-301.2 Annual buy forecasts.

An annual projection of estimated buy activity prepared quarterly shall be used to initially list parts in descending buy dollar order down to $5,000 reflecting projections for the next 12 months. These projections shall be the basis for selecting items to be screened for possible breakout. Care shall be taken to assure that an item selected in this manner is not redundant with planned or ongoing breakout activity in another program or effort, such as, but not limited to, value engineering and evaluation of alternate offers.

3-302 Screening.

(a) When results of a screening action indicate there is no expectation of breakout, consideration should be given, where applicable, to any other ongoing programs that may improve price or lead time. Examples of such other programs include, but are not limited to, value engineering and the competition advocate program. A folder shall be maintained for all screened parts to include any pertinent reports, analysis, or documents that relate to the assigned AMC/AMSC (see DFARS PGI 217.7506 3-302(i)).

3-303 Full screening procedure.

3-303.2 Data evaluation phase (steps 2 -14).

(c)(4) Step 5. Prior to expenditure of funds for acquisition of technical data to effect a breakout action, a review of data requirements shall be conducted in accordance with DLA Procedures. When there is any doubt as to acceptability by the cognizant military service of data to be acquired to effect the desired AMC/AMSC change, the data shall not be procured. Instead, all breakout activity for the part shall be summarized and forwarded to the cognizant Military Service activity with a recommendation that it pursue acquisition of the necessary data (see DFARS PGI 217.7506 3-303.2(c)(4)).

Part 5 – Reporting system.

5-502 Reporting procedures.
(c) Supply chains shall forward reports to DLA HQ, attention: DLA spare parts breakout program manager, DLA Acquisition (J7), no later than 30 days after the end of each quarter.

SUBPART 17.76 – CONTRACTS WITH PROVISIONING REQUIREMENTS

(Revised October 21, 2015 through PROCLTR 2015-12)

17.7601 Provisioning.

17.7601-90 Contracting requirements for issuance of provisioned item orders (PIOs).
(a) The file shall be documented when the price or cost analysis techniques discussed at 13.106-3 are used for award of priced PIOs and definitization of undefinitized provisioned item orders (UPIOs).
(b) If the contract contains a progress payment clause without an exclusion provision for orders with a ceiling price below $1 million (or $150,000 for small business firms) and/or having a delivery schedule of less than 6 months (or 4 months for small business firms), a provision precluding such applicability shall be included in all PIOs below these thresholds.

17.7601-91 Negotiating and executing supplemental agreements.
The file shall be documented when the price or cost analysis techniques discussed at 13.106-3 are used for the exercise of priced PIOs and definitization of UPIOs.

17.7601-92 Solicitation and contract clauses.
(a) Use 52.217-9011, in solicitations and contracts when the need for provisioning is to be determined after award of contract or in negotiated solicitations and contracts when it is known, prior to issuance of the solicitation, that provisioning is required.
(1) The contracting officer shall select the correct statement in Table 1 and fill in the needed information in the first paragraph of the clause:

Table 1. Determining the need for provisioning.

Situation >	The need for provisioning is to be determined after award	Negotiated solicitations and contracts when provisioning is required
Clause 52.217-9011 first paragraph	Reserves the right to require	Will require
	Enter date of current issue in effect on date of contract award	Enter date of current issue in effect on date of solicitations

17.7601-93 Contracting officer's representative – provisioning.
(a) Only Government technical personnel at each contracting activity shall be designated as a contracting officer's representative (COR) for provisioning for the purpose of providing technical assistance to offerors or contractors with regard to requirements for equipment support and provisioning for contracting activity acquired end items and/or components. The COR nominee must meet the qualifications standard and training requirements stated in 1.602-2-90.
(b) The COR supporting technical requirements of shall register in the DoD contracting officer's representative tracking (CORT) tool, if appropriate.
(c) Delegation of post-award responsibility, which shall only be by written formal memorandum from the contracting officer, shall include authority for actions to be taken by the COR for provisioning. The delegation will not include any authority to modify or change the terms of the contract or to make any agreement which will result in an increase in the contract amount or extend the time for delivery of the end items.
(d) The COR for provisioning is responsible for:

(1) Reviewing purchase request (PR) or military interdepartmental purchase request (MIPR) provisioning requirements to ensure compliance with provisioning policy and procedures and proper presentation of provisioning requirements in solicitations and contracts,

SUBPART 17.91 – USE OF PUBLIC MANUFACTURERS

17.9100 Public (Organic) Manufacturing.
For guidance and direction, refer to and comply with the Non-Procurable Purchase Requisition Job Aid at https://eworkplace.dla.mil/sites/prg/ebs/Pages/ONLINEHELP.aspx.

SUBPART 17.92 – REOPENER CLAUSES

(Revised October 21, 2015 through PROCLTR 2015-12)

17.9201 General.
(a) A reopener clause is a special contract provision which creates a right for an equitable adjustment in the contract price at a specified time or due to the occurrence or non-occurrence of an event or contingency of the type specified in FAR 31.205-7(c)(2).
(b) A reopener clause provides a means of achieving an equitable resolution of the treatment of a significant contingent cost during both the initial pricing of a contract as well as at any time an equitable adjustment to such price is called for under the provisions of the clause. However, its use requires deliberate care to avoid a shift in risk from the contractor to the Government. Consequently, it should be used only in extraordinary circumstances involving high dollar value procurements (i.e., rarely less than $500,000) where the uncertainty associated with particular cost element(s) substantially impacts the contract price.
(c) Circumstances in which its use may be appropriate include, but are not limited to, the following:
(1) The price reasonableness of one or more subcontracts representing a substantial portion of the prime contractor's proposed price cannot be determined prior to award of the prime contract for such reasons as:
(i) The prime contractor's inability to obtain subcontractor cost or pricing data timely;
(ii) An adequate cost/price analysis was not performed by the prime contractor; or,
(iii) Adequate field report(s) were not received prior to conclusion of negotiations.
(2) A forward pricing rate agreement (FPRA) or forward pricing rate recommendation (FPRR) is not achievable because of uncertainties having a significant impact such as:
(i) Supporting contractor budgetary data was not submitted;
(ii) A substantial portion of the business base has not yet materialized; or,
(iii) A potential for purchase, merger, or sale of part of a contractor's operations exists.
(3) The price impact of a change in a contract requirement, term, or condition made during negotiations is significant but cannot be reasonably quantified and resolved prior to award.
(4) The offeror's estimating system contains significant deficiencies (DFARS 215.811-70(g)(2)(vi) and (3)).

17.9202 Procedures.
When the contracting officer documents that use of a reopener clause is the most appropriate means of overcoming a contingency that will significantly affect the pricing of a contract, as a minimum, the following should be accomplished:
(a) Request the field ACO provide a recommended clause for those cases in which the DCMA recommended its use. In other instances, contact the local cost/price analyst and the field ACO, as appropriate, for assistance in developing and/or modifying a reopener clause;

(b) Query the field ACO, regarding (1) the adequacy of the contractor's accounting system to provide all necessary cost data in the form required to price the adjustment (obtain a review of the adequacy of the accounting system if necessary).

(c) Obtain, as necessary, cost or pricing data applicable to the cost element(s) and markup factors, to establish the base level in the clause from which adjustment will be made, and ensure such data has been verified;

(d) Prepare a proposed schedule of calculations for each affected CLIN which identifies each specific rate, factor, element of cost, profit, etc., to be covered by the reopener clause; and explicitly describes or provides an example of the precise methodology to be used to calculate any resulting price adjustment. Consider whether it is appropriate to retroactively apply a price, as subsequently finalized, to items already delivered on time and to late deliveries.

(e) Obtain legal review for sufficiency and consistency with other contract clauses;

(f) If the clause is to provide for an upward adjustment, notify the local budget office of the necessity to commit funds over and above the contract price to the amount of the ceiling established, or obtain a confirmation from the requiring activity that funds are available and have been set aside) to cover the potential increased obligation (in the event the award is funded by a Military Inter-Departmental Purchase Request);

(g) If use of a locally developed clause or one of the clauses at 17.9205 is contemplated on a modified basis, provide an advisory copy of the draft reopener clause, after completing steps (a) through (g) above, to the local contract policy office for review.

(h) If the modifications to one of the clauses at 17.9205 exceed minor changes, i.e., would substantially alter or eliminate any of the provisions of the clause, or if a local clause is used, promptly provide a facsimile copy of the draft clause to DLA HQ, J71.

(i) Incorporate the amounts and methodology reached through preaward discussions/negotiations with the contractor, in a document executed by both parties which is made an attachment to the price negotiation memorandum (PNM). Absent such agreement, calculations supporting the contracting officer's interpretation of negotiations should be incorporated in the PNM. Because such information may be considered confidential by the contractor, the details should not be incorporated into a reopener clause or otherwise included in the contract.

(j) Indicate in any letter of delegation for contract administration that the award contains a reopener clause. Advise the field ACO of any awards retained for local administration which will be affected by a prospective forward pricing rate agreement (FPRA)/ forward pricing rate recommendation (FPRR), to assure the required information will be furnished timely.

17.9203 Contract requirements.

Incorporate the cost principles and procedures in FAR Subpart 31, for use as the basis for pricing any adjustment under the reopener clause, and the clauses at FAR 52.215-23, Price Reduction for Defective Cost or Pricing Data – Modifications, FAR 52.215-25, Subcontractor Cost or Pricing Data – Modifications, (if applicable), and FAR 52.215-2, Audit – Negotiation.

17.9204 Reopener clause requirements.

A reopener clause shall, at a minimum, incorporate the following:

(a) A title clearly designating it as a reopener clause;

(b) A clear statement of purpose;

(c) A clear identification of the items, amounts, event triggering the reopener procedure, and the responsibilities and rights of the contractor and the Government, including the requirement for certified cost or pricing data, and applicability of the Disputes clause (except for the circumstances in 17.9204(d)(iii));

(d) A clear statement of the methodology for pricing any adjustment, in the following order of preference:

(1) A pre-established pricing formula which precludes the need for further negotiations;

(2) If the nature of the contingency is such that its price impact can only be anticipated to fall within a broad range of prices vice one or several alternative price outcomes, the clause may identify the range and specify that the amount for that cost element may be revised within such range through negotiations. A pricing formula or methodology would be used to apply appropriate markup factors from the original contract price negotiation;

(3) If the nature of the contingency is such that its price impact cannot be anticipated to fall within a broad range and/or original price negotiations did not involve cost or pricing data, the clause may instead specify that the parties will enter into good faith negotiations under the clause and may include a "walk-away" option terminating performance a specified number of days following receipt of written notice by either party in the event of a failure to agree.

(e) To minimize excessive obligation of funds and the potential for substantial over or under-payment, if there is reason to believe one contingent alternative is more likely to occur than others, then the amount corresponding to the most likely contingency should normally be incorporated as the value of the interim cost element when establishing the contract price. If all alternatives are of equal likelihood, then a value based on a "best estimate" should normally be used. It may also be appropriate to provide for a price adjustment whenever information indicates, prior to the scheduled time established in the clause for an adjustment in the contract price, that there may be a significant variance from the anticipated finalized price;

(f) A provision for a downward and/or upward adjustment as appropriate (see 17.9104(e)). An exception is authorized only when necessary to achieve final agreement on price. For contracts allowing an upward adjustment above the contract price, establish a firm, not to exceed ceiling, on an aggregate basis (and per unit basis if applicable), above which no price adjustment shall be made;

(g) The method of adjusting any option quantity/period prices, if any, which may result from operation of the clause;

(h) If the contract is not subject to the Cost Accounting Standards (FAR Part 30), the treatment of accounting system changes which impact the price adjustment contemplated by the clause; and

(i) A contractor confirmation that the award price does not include any amount for the specified contingency except as provided for in the clause.

SUBPART 17.93 – SURGE AND SUSTAINMENT (S&S)

17.9300 Scope.

(a) This subpart prescribes policy for obtaining S&S coverage through the acquisition planning and long-term contracting process.

(b) This subpart does not apply to DLA Energy. For DLA Energy contracting, S&S coverage will be specified in the currently approved DLA Energy annual surge capability plan (ASCP). Updates to the DLA Energy ASCP will be submitted for review to DLA Acquisition Programs(J74) and approval by J7 no later than October 31 each year or more frequently as significant changes occur.

(c) This policy defines DLA actions for requirements in DFARS 217.208-70(b) and DFARS PGI 217.202(2). Although the goals remain the same, the procedures in this policy do not apply when establishing corporate exigency, minimum sustaining rate, or industrial base maintenance contracts, suppliersupplier managed inventory, prime supplier war reserve material (WRM), and/or stock rotation as the alternate strategy to support the Services' go-to-war requirements.

17.9301 S&S definitions.

"D1-D6 schedule" represents the surge requirements expressed in exact quantities with a 6-month sustainable accelerated delivery. D1-D6 is the surge requirement, including the Services' go-to-war requirements. The D1-D6 schedule is used when the monthly wartime rate (MWR) cannot be applied, such as DLA Troop Support items that have a definitive fielding schedule for meals ready to eat (MREs). The D1-D6 schedule is determined and obtained by using the support planning integrated data enterprise readiness system (SPIDERS) or industrial base management system (IBMS), or by consulting the industrial specialist.

"Industrial capability issue (ICI)" is a procurement issue created by the lack of industrial capability, capacity, and/or raw or semi-finished materials with lead-time issues that impact the ability of the supplier to deliver at the wartime rate. The mitigation of the issue would require an investment by the Government to improve capability to deliver at the wartime rate. These investments are funded through the warstopper program (refer to DLA Instruction 1212 Industrial Capabilities Program – Manage the Warstopper Program).

"Industrial specialist" represents the Government personnel performing certain technical functions in different organizational activities within the procuring organization. This term applies to the Government personnel within the industrial preparedness branch for DLA Aviation, the industrial support office for DLA Land and Maritime, the industrial base planning office in DLA Troop Support Clothing and Textiles (C&T), the industrial preparedness branch in DLA Troop Support Construction and Equipment (C&E), the strategic material sourcing group (SMSG) readiness division for DLA Troop Support Medical, and the industrial base planning branch for DLA Troop Support Subsistence.

"Long term contracts (LTCs)" are all long-term contract instrument types to include indefinite quantity, corporate, and prime supplier contracts, where the ordering period of performance with option periods is greater than 3 years. LTCs do not include indefinite delivery purchase orders (IDPOs).

"Monthly wartime rate (MWR)" expressed in units per month, represents the combined recurring requirements for all services after offsets for peacetime DLA direct (DD) procuring organization surge capability and/or DLA managed war reserve material (WRM) stocks are applied. MWR is the surge requirement, including the services' go-to-war requirements. MWR is used when items have assigned national stock numbers (NSNs). MWR for an item is determined and obtained by using the industrial base management system (IBMS) or by consulting the industrial specialist.

"Peacetime support issue" occurs when DLA is unable to meet the customer's required delivery date for a weapon system repair part that 1) is coded not mission capable-supply (NMCS), 2) is a critical item that impacts mission capability (MICAP) or to prevent the loss of life/property, or 3) meets the FAR criteria for an unusual and compelling requirement if routine fulfillment/replenishment procedures will not satisfy the requirement.

"Surge and sustainment (S&S)" represents increased quantities and/or accelerated delivery rates required to meet the Services' requisitions across a broad spectrum of contingencies. The increased quantity and accelerated delivery rate are above and beyond the normal peacetime requirements, and are identified as MWR, D1-D6 schedule, or a surge quantity option.

"Surge and sustainment coverage" is a combination of DLA's ability to fill contingency requisitions through the MWR, D1-D6 schedule, or surge quantity option within the customer's required delivery date (RDD) and the supplier's ability to meet surge quantity and sustainable accelerated delivery.

"S&S events" describe the relationship between the S&S planning requirement (S&SPR), the S&S actual requirements, and S&S coverage. "S&S events" describe the relationship between the S&S planning requirement (S&SPR), the S&S actual requirements, and S&S coverage.

Details on events, numbered I through VII, and how they are used, are covered in DLA Instruction 1214, Industrial Capability Program – Surge and Sustainment (S&S), Enclosure 4. An event may have known surge planning requirements, may be covered for surge, and may be needed in surge quantities during an actual contingency.

"Surge and sustainment planning requirements (S&SPR)," also referred to as "go-to-war requirements", are the additive monthly wartime demand requirements obtained through collaboration with the customers, which include the Services' other war reserve material requirements , Joint Chiefs of Staff (JCS) project coded requisitions, and items with a weapon system essentiality code (WSEC) of 1, 5, 6 or 7. These requirements are the Services' go-to-war items for contingency operations, national emergencies, or other readiness needs, where speed of delivery and immediate availability of materials are the primary priority to support national security interests. DODI 3110.06, War Reserve Material Policy and Secretary of Defense strategic planning guidance require the identification of these go-to-war requirements to support the national security interests of the United States.
"Surge quantity option" is an increased quantity above and beyond peacetime demands expressed in percent or exact number with a sustainable accelerated delivery. This quantity is other than the MWR or D1-D6 schedule, and used for items that are market ready, commercial, or non-national stock number (NSN) supplier part numbered items such as cataloged commercial items under a prime supplier arrangement to support increased demands during contingency operations, national emergencies, or other readiness needs. Surge quantity option is calculated using appropriate demand data through market research, or determined by consulting the industrial specialist.
"Unsupported item issue (UII)" are surge requirements that cannot be met through peacetime inventory, normal peacetime contracting, alternative contract strategies, or a successful resolution using investment to an industrial capability issue (ICI). DLA is required to report a UII to the services for inclusion into their war reserve planning, such as when an investment to resolve an ICI exceeds cost of a Government "buy and hold" solution, or when stocking the item is counter to DoD war reserve policy.

17.9302 Policy.

(a) The primary mission of DLA is to support the warfighter in peacetime and wartime, to include smaller contingencies. The ability to surge, or ramp up quickly, and to sustain replenishment of wartime consumable items at an increased pace is critical to the execution of U.S. military strategy. S&S coverage is impacted by the continuing emphasis by both DLA and suppliers to reduce inventory and by DLA's plan to rely on industrial capability. Therefore, S&S capability must be a primary consideration in all acquisition strategies and resource investments.

(b) References. The following statutes, regulation, and policy include coverage for surge and sustainment:

(1) Executive Order 12919, National Defense Industrial Readiness Preparedness, as amended by Executive Order 13603, March 16, 2012, National Defense Resources Preparedness.

(2) FAR Subpart 6.302.3 Other Than Full and Open Competition, Industrial Mobilization; Engineering, Developmental, or Research Capability; or Expert Services.

(3) Defense Production Act of 1950, as amended;

(4) Defense Priorities and Allocations System Program;

(5) DoD 4400.1-M, Department of Defense Priorities and Allocations Manual; and

(6) DoD Instruction 3110.06, War Reserve Materiel Policy.

(c) The agency's goal is to have all surge and sustainment planning requirements (S&SPR) on an LTC to ensure coverage for wartime critical materials, in accordance with the regulations and policy listed in paragraph (b) of this section. Acquisition planning efforts by the contracting activity shall ensure DLA leverages its LTC acquisitions to obtain S&S coverage that addresses all surge events.

(d) Contracting officers shall obtain coverage for items identified as go-to-war items during the acquisition process of all LTCs, except IDPOs, modifications to add items to a contract, or when exercising an option period. Contracts/orders with mandatory sources under FAR 8.002(a), including General Services Administration Federal Supply Schedules and AbilityOne, are not exempt from compliance with this policy in solicitations and resulting contracts.

17.9303 Procedures.

(a) This section details procedures, to be adapted as necessary for individual procurements, for obtaining surge and sustainment (S&S) coverage through acquisition planning and long-term contracting. Refer to DLA Instruction 1214, Industrial Capabilities Surge and Sustainment, for more detailed process guidance on the industrial specialist's involvement and responsibilities.

(b) These procedures will enable contracting officers to implement S&S in the acquisition process. The supporting contracting officer and industrial specialist shall assist the contracting officer with implementation to ensure appropriate S&S coverage is obtained. System procedures are detailed in paragraph (c) of this section.

(1) Presolicitation phase.

(i) The contracting officer shall conduct market research, which includes the historical surge plan and performance, and collaborate with the industrial specialist to determine the appropriate strategy to obtain S&S coverage. (See Part 10.)

(A) If market research clearly shows that surge quantities and delivery schedule can be met through the long term contract (LTC) maximum and required delivery, and can satisfy both peacetime and wartime requirements, the contracting officer shall consult the industrial specialist to determine if surge-specific provisions can be excluded, in part or as a whole, from the solicitation.

(B) The contracting officer shall only exclude surge-specific provisions after receiving concurrence from the industrial specialist through the waiver process described in paragraph (5)(xii) of this section, and will clearly document the market research result, surge coverage decision, and concurrence in the acquisition plan.

(ii) The contracting officer will ensure that the LTC population is verified and validated for surge requirements using the appropriate industrial base (IB) tool or by consulting the industrial specialist to determine surge requirements. Methods for incorporating surge requirements into the LTC include the following. (Refer also to paragraph(c)(2) of this section for detailed system procedures.)

(A) Include surge requirements using MWR or D1-D6 in the solicitation/contract under a separate contract line item (CLIN); or

(B) Include the surge quantity option (see 17.9304), either as a percent increase of the base contract delivery rate or an exact quantity above the base contract delivery amount, that will result in sustainable delivery as required in the contract or order for items that are market ready, commercial, or non-national stock number (NSN) supplier part numbered, such as cataloged commercial items under a prime supplier arrangement. The exact quantity or percent for the surge quantity option can be calculated based on historical consumption data or other appropriate demand data.

(C) If the acquisition is for a long term contract, with more than 25 percent of the NSNs in the solicitation having surge items and the contract ceiling exceeds $10 million, or the procurement will require approval by a field- or HQ-level acquisition review board in accordance with 7.104-90, the contracting officer shall request revalidation of surge requirements through collaboration between the industrial specialist and the military service(s).

(iii) The contracting officer will collaborate with the industrial specialist when developing the evaluation criteria for S&S requirements for inclusion to the solicitation.

(A) For tradeoff best value source selection, the contracting officer, in collaboration with the industrial specialist, selects and includes appropriate S&S evaluation criteria in the solicitation as either an evaluation factor or sub-factor, depending on its significance. (See FAR 15.304).

(B) For lowest price technically acceptable (LPTA) procurements and procurements when PPIRS-SR will be used in evaluating contractor past performance as a non-cost or price factor in award decisions, the contracting officer, in collaboration with the industrial specialist, determines an appropriate

evaluation factor or sub-factor, depending on its significance, to evaluate the CAP for technical acceptability.

(iv) The contracting officer shall obtain industrial specialist concurrence with the S&S coverage strategy, which will be documented in the acquisition plan.

(2) Solicitation phase.

(i) When surge requirements apply, the contracting officer shall include the monthly wartime rate (MWR), D1-D6, or surge quantity option CLINS, and insert appropriate provisions, clauses, and evaluation criteria in the solicitation. (See 17.9304.)

(ii) The contracting officer will ensure that the solicitation includes a requirement for a CAP from the offeror; the solicitation should state that the CAP must include an exit strategy.

(iii) The contracting officer shall notify the industrial specialist immediately upon issuing the solicitation (see paragraph (c)(2) of this section for related system procedures).

(iv) The contracting officer shall collaborate with the industrial specialist prior to making changes, such as an increase, decrease, or deletion, to surge requirements and coverage in the solicitation to assess the impact of the proposed change.

(A) The industrial specialist assesses the impact of the proposed change to surge requirements and will advise the contracting officer.

(B) The contracting officer proceeds with the amendment or change if appropriate, with adjustments as based on industrial specialist feedback.

(C) The contracting officer shall notify the industrial specialist when an amendment is issued affecting surge coverage, close dates, and/or LTC population.

(v) Solicitation closing. The supplierss are required to submit the following with their proposals:

(A) Prices for the surge quantity, either in dollars or as a percentage, as specified in the solicitation;

(B) When surge pricing exceeds non-surge contract pricing for the same item(s), the contracting officer shall require information other than cost or pricing, or, if applicable, certified cost or pricing data to determine price reasonableness or cost realism in accordance with clause 52.217-9009;

(C) A copy of the CAP. Refer to paragraph(c)(4) of this section for system procedures.

(3) Evaluation.

(i) The contracting officer shall ensure the offeror's capability assessment plan (CAP) is submitted to the industrial specialist for evaluation and a recommendation:

(A) The industrial specialist reviews the CAP and determines the application of warstopper or Government investment, then advises the contracting officer;

(B) If warstopper or Government investment applies, the contracting officer notifies all suppliers competing in the acquisition during negotiations or issues an amendment to include the investment;

(C) When evaluating the surge quantity, the contracting officer and industrial specialist will perform a pricing evaluation as detailed in paragraph (4) of this section.

(D) The contracting officer shall ensure that the CAP includes an exit strategy and that the proposed exit strategy is in the Government's best interest. Refer also to paragraph (5) of this section for exit strategy alternatives.

(4) Pricing evaluation.

(i) The contracting officer shall evaluate surge pricing for the surge quantity in accordance with FAR 15.404-1 to determine price reasonableness (see FAR 15.403 and DFARS 215.403 for guidance on requiring certified cost or pricing data or data other than certified cost or pricing data).

(ii) If the contracting officer cannot independently justify the surge price, the contracting officer shall ensure offerors submit information other than certified cost or pricing data or, if applicable, certified cost or pricing data, as circumstances require, that sufficiently explain causes of price difference between

surge and peacetime quantities, in accordance with 52.217-9009. The information may be submitted in the offeror's own format unless the contracting officer requests a specific format in the solicitation.

(iii) The contracting officer shall consider the unique factors affecting S&S pricing when evaluating prices for the surge quantity, which may cause higher pricing than peacetime quantities since S&S involves increased production and accelerated delivery time, usually 30 days or less, during contingency operations. In addition, S&S pricing is often based on suppliers' estimates of future costs or projections since contingency operations are unpredictable and there is uncertainty when or if the Government will exercise surge. Certified cost or pricing data will not always apply to S&S. Instead, information other than certified cost or pricing data as described in FAR 15.402(a)(2) may apply. The supplier may have other costs in addition to the normal peacetime costs to support S&S requirements, such as:

(A) premium pay for overtime and/or additional shifts to fulfill increased production to support surge;

(B) additional costs for expedited delivery of materials from sub-tier suppliers to meet the accelerated delivery requirement of surge;

(C) the cost to order minimum purchase quantity from sub-tier suppliers, in addition to peacetime ordering, to pre-position materials required to produce or supply S&S quantities, with a factor for the risk that the Government will not issue a surge order and/or buy-back any excess or unconsumed materials before contract expiration or termination;

(D) maintaining reserve production capacity that otherwise would generate revenue; and/or

(E) maintaining extra inventory, raw materials, or components specifically to support surge requirements.

(iv) Another consideration in determining price reasonableness is the risk assumed by the contractor. The Government is not obligated to exercise the surge CLINS during the contracted performance period. The suppliers are therefore assuming all the risks of incurring additional costs and holding additional inventory to support S&S coverage, until the Government executes a surge order to support contingency operations and other emergencies.

(v) In addition to allowing for extra costs, the contracting officer should consider whether to allow for additional profit over and above any amount for the peacetime requirement. When the weighted guidelines method is applied in accordance with DFARS 215.404-71, the contracting officer should review, in addition to other relevant factors.

(vi) A review of the S&S capability plan may assist in analyzing the surge price in comparison to the peacetime price, since it may indicate costs that the offeror expects to incur if the S&S requirement is invoked.

(vii) The contracting officer shall also consider guidance in DFARS 217.7505(b)(2) and the definition of S&SPR under 17.93, if applicable, when evaluating the surge prices that are higher than the non-surge contract prices, since the Services' go-to-war requirements directly support the national security interests of the United States.

(viii) Removing the surge requirement. If surge prices are deemed unreasonable or if surge negotiations will cause the delay of contract award, the contracting officer may submit a waiver request to the industrial specialist for concurrence with removing surge requirement, in part or as a whole, from the solicitation/contract. (Refer to paragraph (5)(xii) of this section for the waiver procedure.)

(ix) The contracting officer documents the industrial specialist's recommendation and surge price objectives in the pre-negotiation briefing memorandum (PBM). The total surge price is not added in the overall comparative price evaluation due to varying factors affecting surge pricing;

(5) Negotiations/discussions phase. (See FAR 15.306.)

(i) When the supplier's capability assessment plan (as per clause 52.217-9006 surge and sustainment requirements) does not meet the stated solicitation surge requirements, the contracting officer shall conduct discussions to obtain the required surge coverage. If unable to reach agreement through

discussions, the contracting officer shall collaborate with the industrial specialist for assistance in developing an alternate surge strategy, if necessary. (Refer to paragraph (5)(xiii) of this section regarding alternate surge strategy.) Surge coverage includes the following factors and considerations:

(A) Negotiating surge prices;

(B) Using the exit strategy, for example, surge asset buy-back for high demand items, surge asset ramp down, as leverage or a negotiating tool to obtain surge coverage;

(C) Considering alternate packaging or guaranteed minimum for surge items, if appropriate and/or applicable;

(D) Engaging the industrial specialist during negotiations to determine an alternate surge strategy to obtain coverage;

(E) Collaborating with the industrial specialist to determine if Government investment can be applied to obtain surge coverage.

(F) Obtaining surge coverage and considering the supplier's proposed alternative(s) to support the Services' go-to-war items in accordance with 17.9302.

(ii) The contracting officer shall consult the industrial specialist for a warstopper or Government investment determination and recommendation when an industrial capability issue (ICI) is identified by the supplier and/or if the supplier is requesting Government investment. (Refer to paragraphs (5)(viii) and (5)(ix) of this section for warstopper or Government investment determinations.)

(iii) The contracting officer shall ensure that approved warstopper or Government investment is offered to all suppliers competing in the acquisition.

(iv) The contracting officer shall negotiate an exit strategy that is in the Government's best interest.

(v) The supplier is required to include an exit strategy in accordance with clause 52.217-9006. If the supplier's CAP doesn't adequately address an exit strategy, the contracting officer will develop an exit strategy with the supplier during negotiations or discussion.

(vi) When warstopper or Government investment does not apply, the contracting officer, in conjunction with the industrial specialist, will consider the following exit strategies.

(A) Surge asset ramp-down before contract expiration date (e.g., ramp-down 6-12 months before contract expiration);

(B) Asset buy-back for high demand or backordered items based on historical stock position, or to have inventory on-hand until follow-on contract can be established;

(C) Asset buy-back guaranteed minimum applied in percent, dollar amount, or quantity based on historical demand patterns and/or items with long lead times;

(D) Shifting of assets to other contracts if applicable.

(vii) When warstopper investment applies, the contracting officer will consider the following exit strategies or other alternate strategy that is in the Government's best interest:

(A) Transferring investment to the next contract;

(B) Placing investments into production to produce finished goods and offset price for Government furnished property, material, or equipment;

(C) Salvaging investment to be used for other Government projects; or

(D) Returning funds to the U.S. Treasury through the warstopper program manager at DLA HQ J74.

(viii) For Government investment application:

(A) The supplier may request Government investment in its proposal or during negotiation or discussion.

(B) The contracting officer consults the industrial specialist to determine if Government investment can be applied.

(C) The contracting officer will limit or conserve use of Government investment when obtaining S&S coverage. The contracting officer will only authorize or allow Government investment to overcome an S&S shortfall and/or to obtain coverage. Refer to 52.217-9006 for shortfall conditions.

(D) With the industrial specialist's concurrence, the contracting officer approves the contractor's request for Government investment only when it is in the Government's best interest to do so.

(E) The contracting officer ensures an exit strategy is included when Government investment applies. (Refer to paragraph (b)(5)(xiii) of this section for exit strategy alternatives.).

(ix) For warstopper investment application:

(A) Warstopper application is determined and approved by the DLA HQ J7 warstopper program manager.

(B) When warstopper investment applies, the contracting officer ensures that the solicitation contains a statement to that effect. Refer to 52.217-9010 Limitation on Use of S&S Government Investment.

(C) The contracting officer negotiates and includes surge coverage with warstopper investment only when approved by the DLA HQ J7 warstopper program manager.

(D) When the DLA HQ J7 warstopper program manager approves use of warstopper investment, the contracting officer consults the industrial specialist to process the investment:

(1) The industrial specialist processes the request and advises the contracting officer of warstopper funding approval;

(2) Upon receiving funding approval, the contracting officer:

(i) Includes the warstopper CLIN 9965 and not-to-exceed amount in the contract;

(ii) Incorporates an appropriate exit strategy.

(3) If warstopper or Government funding is approved before contract award, the contracting officer notifies all suppliers competing in the acquisition of the approved investment amount by amendment of the solicitation and includes explicit written language describing use and limitation of Government investment (to be incorporated to the resulting contract).

(4) If warstopper or Government funding approval occurred after contract award, the contracting officer notifies and advises the supplier of approval by issuing a bilateral contract modification with the approved dollar amount using CLIN 9965 and explicit written language describing use and limitation of Government investment, to which the contractor is required to agree as consideration for receipt of the funding.

(x) As a result of successful negotiation, the contracting officer will:

(A) Proceed with awarding surge coverage at a fair and reasonable price;

(B) Include appropriate surge CLINS, the monthly wartime rate (MWR) or D1-D6 prices, exit strategy, and warstopper investment, if applicable, in the contract;

(C) Document the price negotiation memorandum (PNM) with the surge negotiation /discussion results to include basis for determining surge prices fair and reasonable, delivery terms, ramp-up time if applicable, and exit strategy.

(xi) When negotiation is unsuccessful,

(A) After making every attempt to obtain surge coverage and the supplier refuses to support surge, and/or negotiation becomes extended, and/or surge prices are unreasonable, the contracting officer elevates the issue to the contracting officer for a waiver request decision and describes attempts made to obtain surge coverage;

(B) The contracting officer consults the industrial specialist for alternate solutions or recommends excluding surge requirement, in part or as whole, via a waiver request; and/or

(C) The industrial specialist recommends an alternate solution if any or concurs with the waiver request.

(xii) Surge waiver process.

(A) When surge coverage is unobtainable and/or negotiations or discussions are unsuccessful, or, when the contracting officer, in collaboration with the industrial specialist, determines that it is in the Government's best interest to exclude surge in part or as a whole, the contracting officer shall submit a written waiver request to the industrial specialist for concurrence prior to excluding the surge item(s) and/or requirements from the solicitation. The contracting officer's waiver request will include the following information:

(1) Description of attempts made to obtain surge coverage;

(2) Discussion of whether the contract maximum in quantity or dollar value can sustain potential increase in demands in the event of future contingency or emergency;

(3) Recommendation to exclude surge, in part or as a whole; and

(4) Relevant information concerning surge coverage or item(s) being excluded from the LTC.

(B) The industrial specialist may recommend other alternatives, if any, or concurs with the waiver request in writing and forwards a copy to DLA HQ J74.

(C) The contracting officer shall only exclude surge-specific provisions, in part or as a whole, from the solicitation and contract upon receiving concurrence from industrial specialist and shall document the waiver concurrence in the contract file.

(D) Upon receiving the industrial specialist's concurrence to remove surge-specific provisions in part or as whole, the contracting officer shall factor surge quantities into the contract maximum calculation, that is, ensures the contract maximum (quantity or dollar value) can cover potential surge in demands in the event of future contingencies to prevent untimely contract expiration, and obtains an accelerated delivery schedule that will satisfy both peacetime and wartime requirements.

(E) The industrial specialist will notify the strategic material sourcing group (SMSG) or integrated supplier team (IST) lead in writing of the surge provision exclusion for a determination of an alternate support strategy for the Services' go-to-war items or notification that a potential unsupported item issue (UII) exists.

(F) The contracting officer excludes surge coverage or item(s) as a requirement after receiving concurrence from the industrial specialist and documents the price negotiation memorandum (PNM), also including the waiver in the contract file.

(G) Surge policy provides for waivers to surge clauses, however, the contracting officer will include a requirement in the solicitation and resulting contract for an informational eCAP to provide the industrial specialist an opportunity to determine the total production capacity of the mandatory source during wartime.

(xiii) Determination of an alternate surge support strategy.

(A) The industrial specialist coordinates with the strategic material sourcing group (SMSG) or industrial specialist team (IST) lead for alternate surge support strategy for the excluded surge coverage or item(s) with consideration for the following alternatives:

(1) Corporate exigency contracts (CECs);

(2) Minimum sustaining rate (MSR) contracts (this type of contract may generate protected inventory that can be used to meet contingency demands as free issue);

(3) Industrial base maintenance contracts (IBMCs);

(4) Supplier managed inventory (VMI); and/or

(5) Agreements common in some industries (for example, subsistence), to include a memorandum of understanding, memorandum of agreement or blanket purchase agreement.

(B) If using alternate support strategies listed above in paragraph (A), subpart 17.93 Surge and Sustainment does not apply. Terms, conditions, and provisions for these alternatives will be developed and established by the contracting officer and the industrial specialist based upon the specific contingency support needs of the customer(s).

(C) When the alternative methods to obtain S&S coverage also fail, the industrial specialist notifies DLA HQ J74 and the Services that an unsupported item issue (UII) exists. The industrial specialist relays the information to the SMSG/IST lead for future acquisition planning and strategy.

(D) The contracting officer documents the UII and unsuccessful attempts to obtain surge coverage in the contract file.

(6) Award phase.

(i) The contracting officer shall incorporate the approved CAP, exit strategy, and, if applicable, CLIN 9965 for the approved Government investment amount, and explicit written language in the contract regarding limited use of investment.

(ii) The contracting officer notifies the industrial specialist when the contract, with surge items, is awarded. (Refer to paragraph (c)(6) of this section for system procedures.)

(7) Post-award phase.

(i) The contracting officer will coordinate with the industrial specialist before making any changes to the surge coverage after contract award, shall modify the contract as appropriate, and shall document the contract file with any changes.

(ii) Exercising option periods.

(A) The contracting officer shall consult the industrial specialist for changes in industry capability. Refer to paragraph (c)(7)(v) of this section when exercising the contract's option period with surge. (Also refer to 17.207.)

(B) The contracting officer notifies the industrial specialist before making any changes to the surge coverage i.e., add/delete items or increase/decrease) and then follows the procedures under paragraph (b)(7)(iii) of this section, when adding, deleting, increasing, or decreasing surge coverage.

(iii) Additions or deletions. Increasing or decreasing monthly wartime rate (MWR) and/or surge coverage. Refer to paragraph (c)(7) of this section for system procedures.

(A) If the contracting officer intends to decrease or increase the surge coverage, notify the industrial specialist before making any changes;

(B) The industrial specialist reviews and determines the impact to the customer, surge support, and warstopper investment (if applicable);

(C) The industrial specialist collaborates with the Services if necessary and advises the contracting officer in writing;

(D) The contracting officer proceeds with decreasing or increasing surge coverage after receiving the industrial specialist's recommendation.

(i) Additions. Adding items (phased pricing).

(a) The contracting officer will conduct surge check when pricing additions to LTC items in accordance with the Add/Delete Clause, then request and obtain surge pricing for MWR or D1-D6 and an updated CAP from the supplier.

(b) The contracting officer evaluates the surge pricing and the industrial specialist reviews the CAP and advises the contracting officer. Refer to paragraphs (b)(3) and (b)(4) of this section for procedures on CAP and surge price evaluation.

(c) The contracting officer negotiates if necessary to obtain surge coverage for the added items. Refer to paragraph (b)(5) of this section for negotiation procedures. If increasing the monthly wartime rate (MWR) or D1-D6, the contracting officer will negotiate with the supplier if necessary to lower surge prices and update the CAP;

(d) The contracting officer incorporates surge coverage via a modification and documents the contract file. Follow system procedures under paragraph(c)(7) of this section when adding surge coverage or item(s).

(ii) Deletions. Deleting surge items such as obsolete items or item no longer needed, in accordance with the Add/Delete Clause.

(a) The contracting officer notifies the industrial specialist in writing before deleting surge coverage or item(s) from the LTC;

(b) The contracting officer follows the surge waiver process under paragraph (b)(5)(xii) of this section when excluding or deleting surge coverage or item(s) from the LTC;

(c) The industrial specialist assesses and determines impact to surge support and warstopper investment (if applicable), and advises the contracting officer;

(d) The contracting officer proceeds with deleting surge coverage or item(s) from the LTC via a modification after receiving concurrence from the industrial specialist. The modification will include disposition and instructions for warstopper or Government investment, if applicable);

(e) The contracting officer ensures the contract file is documented by including the waiver request, industrial specialist concurrence and a copy of the modification.

(2) The contracting officer issues the modification reflecting the change and includes instruction for Warstopper investment adjustment (if applicable);

(D) The contracting officer ensures that the outline agreement is updated and the contract file documented when changes are made to surge coverage.

(8) Surge execution.

(i) The contracting officer shall invoke and execute a surge order when supporting project coded requisitions for the following events. (Refer to paragraph (c)(8) of this section for related system procedures.)

(A) Wartime or contingency operations;

(B) Reconstitution of contingency resources following wartime operations or a major exercise;

(C) Not mission capable-supply (NMCS), mission capability (MICAP), or unusual and compelling requirements;

(D) Senior leadership determines executing and invoking surge are appropriate to prepare the agency for anticipated increases in demand due to a national emergency via a memorandum or other written authorization;

(E) Recognizing a peacetime support issue where inventories and peacetime delivery rates alone cannot or will not support total demand. A peacetime support issue may exist prior to the establishment of a JCS project code. Under such circumstance, DLA HQ J7, in coordination with J3, provides the contracting office with authorization to execute and invoke surge to support a peacetime issue; or

(F) Testing, validating, or maintaining the operability of the S&S capability. Under these circumstances, DLA HQ J74 authorization is required prior to invoking and executing surge.

(ii) The contracting officer shall only exercise and execute surge with warstopper investment when one or more of the conditions below apply. The contracting officer shall consult the industrial specialist before executing surge when there is warstopper-funded property, equipment, or materials involved. Free issue of consumable items involving warstopper investments requires DLA HQ J74 concurrence.

(A) Deploying or deployed troops shall be in an actual or anticipated contingency (including a declared contingency with or without a project code);

(B) A buildup of troops is in process in preparation for a contingency;

(C) Call up of reserves for deployment is in process; or,

(D) Any other preparation events intended to place DoD resources in a contingency, or at a higher than normal operations tempo.

(iii) The contracting officer shall invoke and execute surge for peacetime support issue on a case-by-case basis and only when authorized by DLA HQ J7.

(iv) The contracting officer shall only invoke and execute surge when it is in the Government's best interest (see (v)(C) below) and shall consider the following:

(A) Any premium costs associated with exercising S&S compared with other options such as expedited delivery, spot buys, diversion, redistribution orders, reclamation;

(B) Whether the supplier is contractually obligated to provide S&S coverage and consider surge ramp-up and/or recovery time after S&S activations;

(C) Availability of funds and priorities.

(v) Prior to executing surge, the contracting officer shall make a written determination that addresses the following:

(A) It is in the Government's best interest to execute surge in lieu of other support that may be more cost effective, for example, expedited delivery, spot buys, diversion, or redistribution orders, and with consideration for delivery, customer readiness, and supplier performance record.

(B) The requirement is determined to meet one or more of the criteria in the preceding paragraphs (i) through (iii); and

(C) The contracting officer has validated surge coverage in Records Management and verifies the monthly wartime rate (MWR), D1-D6, or the surge quantity option, and ramp-up time requirement (see paragraph (c)(8) in this section for system procedures).

(vi) The contracting officer notifies the supplier and industrial specialist immediately by emailing a copy of the order with subject title "surge order – read immediately"; the order will include the PIIN, order number, and other information deemed necessary to bring immediate attention to the order for processing.

(vii) The contracting officer will report surge execution to the industrial specialist within 30 days for tracking and reporting purposes. Refer to paragraph (c)(8) of this section for detailed system surge execution procedures.

(9) Supplier's change in S&S capability.

(i) The contracting officer immediately notifies and consults the industrial specialist for assessment and recommended courses of action when the supplier(s) requests a change to surge capability or can no longer meet surge coverage obligation in the contract due to unexpected contracting office interruption, such as extreme market conditions, a natural disaster, or labor dispute.

(A) The industrial specialist reviews and assesses the impact to the customer and warstopper investment (if applicable), and advises the contracting officer.

(B) The contracting officer takes action based upon the industrial specialist's recommendation, negotiates as necessary to keep the surge coverage if possible, documents the contract file, and updates the surge coverage in the outline agreement.

(C) If surge coverage includes warstopper or Government investments, the contracting officer shall make adjustments to the investment as necessary when changes are made to the CAP.

(D) If the supplier can no longer support surge coverage, for example, due to bankruptcy, and/or the contract is being terminated, the contracting officer shall exercise the exit strategy.

(E) With assistance from the industrial specialist, the contracting officer will recoup warstopper or Government investment, specifically, funds, raw material, or finished goods, to the maximum extent possible. The contracting officer will issue a modification with instructions on investment disposition, and document the surge coverage change and the results of exit strategy in the contract file.

(F) Refer to paragraph (b)(7)(iii) of this section if making changes to surge coverage, specifically, decreasing, increasing, and/or deleting.

(G) The industrial specialist works with the SMSG or IST lead to determine an alternate or follow-on surge support strategy.

(10) Contract expiration or termination.

(i) The contracting officer shall exercise the exit strategy specified in the contract prior to termination or expiration to recoup warstopper or Government investment or to ramp-down the supplier's surge inventory, if applicable.

(A) If the contract includes warstopper investment,

(1) The contracting officer consults the industrial specialist for assistance if needed when exercising the exit strategy involving warstopper investment;

(2) The contracting officer ensures all investments (i.e., funds, raw materials, or finished good) are recouped and recovered to the maximum extent possible; and

(3) The contracting officer exercises the S&S exit strategy as stated in the contract and recovers all Government investment. If Government investment cannot be recouped or recovered due to unforeseen circumstance such as bankruptcy, and the existing exit strategy cannot be applied, the contracting officer can exercise an alternate exit strategy that is in the best interest of the Government. The contracting officer also then consults the industrial specialist for assistance and elevates the issue to DLA HQ J74 if necessary for alternatives.

(B) If the contract does not include Government investment,

(1) The contracting officer exercises the exit strategy in accordance with the contract and documents the result of the exit strategy in the contract file for future use as lessons learned.

(2) In collaboration with the industrial specialist, the contracting officer considers the Government's stock position and the lead time for establishing a follow-on contract when exercising the exit strategy. Consideration is also given to backorder, stock-out, customer support gap, and the acquisition timeline when determining the disposition of surge coverage.

(3) If terminating the contract, the contracting officer notifies the industrial specialist immediately to determine an alternate surge support strategy.

(11) Program control measures. The effectiveness in obtaining surge coverage will be assessed, measured, and tracked by DLA HQ J74 in accordance with DLA Instruction 1214, Industrial Capability Program – Surge and Sustainment.

(c) System procedures for S&S throughout the acquisition process.

(1) Detailed system tasks to be performed by the contracting officer, offeror or contractor, industrial specialist, and/or supply planner, are provided in the following table.

(2) Systems and/or applications utilized for S&S procedures include:

(i) Surge and sustainment database (S&S DB) found within the industrial base management system (IBMS) at https://headquarters.dla.mil/APPS/IBMS.

(ii) Support Planning Integrated Data Enterprise Readiness System (SPIDERS) website at https://spiders.dla.mil/.

(iii) Readiness management application (RMA) available through DLA Troop Support Medical's website at https://www.medical.dla.mil/Portal/.

17.9304 Solicitation provisions and contract clauses.

The contracting officer shall insert the following provisions/clauses in solicitations when MWR, D1-D6, or the surge quantity option is required. The contracting officer, in coordination with the procuring organization's industrial specialist, shall obtain the approval of J7 prior to authorizing any exceptions to the provisions/clauses. Exceptions from and/or alteration to the clauses listed below are not subject to the review and approval requirements set forth at 1.301-91. Exceptions or alterations must be submitted in writing to DLA HQ J74 for approval by J7.

(a) Use clause 52.217-9006, only when including MWR or D1-D6 in the solicitation and resulting contract. Insert 52.217-9006 Alternate I only when including a surge quantity option in the solicitation and resulting contract.

(b) Use clause 52.217-9007, , only when including MWR or D1-D6 in the solicitation and resulting contract. Insert 52.217-9007 Alternate I only when including a surge quantity option in the solicitation and resulting contract.

(c) Use clause 52.217-9008, , only when including MWR or D1-D6 in the solicitation and resulting contract. Insert 52.217-9008 Alternate I only when including a surge quantity option in the solicitation and resulting contract.
(d) Use clause 52.217-9009, when including MWR or D1-D6 in the solicitation and resulting contract.
(e) Use clause 52.217-9010, when including MWR, D1-D6, or surge quantity option in the solicitation and resulting contract.

17.9305 Warstopper Program Material Buffer Availability.
Insert clause 52.217-9012, , in solicitations and long-term supply contracts to notify suppliers of the potential availability of key raw materials that may be candidates to support industrial mobilization and /or material disruptions.

SUBPART 17.95 – TAILORED LOGISTICS SUPPORT CONTRACTING

17.9500 Scope of subpart.
This subpart prescribes policies and procedures for soliciting offers, awarding contracts, placing orders, and post award administration under DLA's tailored logistics support contracting initiatives. Included in this category are prime vendor (PV), similar existing support arrangements known as modified prime vendor initiatives (MPV), and future initiatives that have characteristics of PV arrangements, but are not considered traditional PV. This subpart also discusses the management attention required throughout the life of a tailored logistics support contract. It includes a clause to be used when the Government is relying on the contractor's purchasing system to verify that the contractor competed the items or services or to justify fair and reasonable pricing. Any deviation from this subpart must be requested in writing and be approved by the Senior Procurement Executive. Deviations may be requested on a program rather than an individual acquisition basis.

17.9501 Definitions.
"Distribution and handling fee" is one component of the total item price listed in the catalog. It is the portion paid for stocking, handling, and delivering the item, as awarded under the contract. It does not include the cost of the actual item that the tailored logistics provider may have manufactured itself or procured from another supplier. It is expressed in fixed dollar amounts only, not in percentages, except for those prime vendoracquisitions that uses negative distribution fees to obtain discounts of off prices established under other contract vehicles (e.g. the Pharmaceutical PV program).
"Distribution and pricing agreement (DAPA)" is an agreement with a manufacturer or supplier that establishes both the selling price of a product and an affirmation from the DAPA-holder to allow tailored logistics support contractors to distribute its products. A DAPA allows for the delivery of selected products at specified prices.
"Market basket" is an evaluation tool that uses a representative sample of items which may be bought under the program and on which offerors submit prices for evaluation under a proposed contract action. Items in the market basket are determined fair and reasonable prior to inclusion in any resulting contract. Price reasonableness determinations are made in accordance with FAR Subpart 15.4 and may consist of comparisons with historical pricing data, catalogs, market prices, various price indexes, and similar standard pricing standards. May also be referred to under other names such as "Price Evaluation List.
"National allowance pricing agreement (NAPA)" is an agreement with a manufacturer or supplier that provides discounts on a national basis. Tailored logistics support contractors pass on these savings to the end customer.

17.9502 General.

(a) Acquisition personnel involved in tailored logistics support arrangements, such as PV, MPV, and other similar support arrangements, both existing and future, are subject to the policies and procedures contained in this subpart.

(b) Contracting officers shall consider using tailored logistics support (TLS) contracts whenever a viable commercial supply chain exists for the items and associated services being acquired.

(c) Training of acquisition workforce. Government individuals assigned to work on or provide significant support for PV contracts shall take part in a tailored logistics support program of instruction, tailored by the procuring organization to its programs, within one month of assuming their duties on a PV.These individuals shall be required to obtain annual certification of training in tailored logistics support requirements and pricing from their procuring organization.

(d) Tailored logistics support contracting program of instruction. The following courses are suggested as part of a core curriculum. Contracting offices should tailor the suggested curriculum with training pertinent to the acquisition at hand, such as units of instruction reflective of the commodities or industries involved, standard operating procedures to be followed within a program, and specific examples of fraud schemes encountered within the contracting office.

Core curriculum suggestions:

- Price reasonableness and negotiation skills practicum
- Commercial item determination –on-line course (CLC 020)
- Commercial item pricing (CLC 131)
- Procurement fraud indicators (CLM 049)
- Contract pricing refresher
- Pricing catalogs for prime supplier programs
- Contract administration (including closeout, CORs and COTRs)
- Domestic content update and refresher (see also the DAU Course “Berry Amendment” (CLC 125)
- Wide area work flow
- CQMPs and the acquisition review board process
- Contract documentation requirements

17.9504 Pricing.

(a) A PV contract or other tailored logistics support contract must be able to comply fully with one of the established PV pricing models found in 15.4

(c) Catalog pricing. The initial catalog of DLA approved items available for ordering under the TLSC is created at time of contract award, generally based on the market basket of items used during pre-award price reasonableness determinations, as specified in the established pricing models found in 15.4 Post award, the catalog can be supplemented with new items and with price changes to existing items, as long as a price reasonableness determination is made for each new item and for each price change on existing items. This 100 percent price reasonableness determination also applies to any incidental services for supply contracts.

17.9507 Post award actions and management oversight

(a) Management oversight. Tailored logistics support contracts are subject to continuous and rigorous oversight as follows:

(1) The program manager or IST chief (i.e. one level above the contracting officer) for each tailored logistic support program (i.e. the team administering the program, for example, metals, MRO supplies, or special operations) shall perform quarterly pricing reviews. Reviews will include a representative sample based on the total number of orders for that period. Upon completion of these reviews, the tailored logistics support program manager/IST chief shall forward the a report of the results, including any

findings and corrective action plan, to the Director of Supplier Operations or designee for review and approval. A copy of the review report shall be kept as part of the contract file.

(2) The contract administration and compliance division or the contract review division shall perform contract audits for vendors' compliance with non-pricing contract terms on at least a semi-annual basis, A copy of the report shall be provided to the contracting officer for review and action as necessary, and inclusion in the contract file.

(3) The J72 pricing section may perform assessments of selected vendors each fiscal year. These assessments shall examine the vendor's adherence to the contract pricing methodology. Vendors shall be chosen for review based on a risk assessment using factors such as contract dollar value, previous annual audits, extent of competition, opportunities for refunds, reliance on the vendor's purchasing system, and outside agency reports. J72 shall furnish a copy of the annual audits to J7 upon completion. J7 shall furnish a copy of the final report to the PLFA HCA or designee.

17.9508 Solicitation provisions and contract clauses.

(a) When a tailored logistics support acquisition relies on the contractor's purchasing system to verify that the contractor competed the items or services or to justify that prices are fair and reasonable, the provision/clause at 52.217-9017 Tailored Logistics Support Purchasing Reviews shall be inserted in all solicitations and contracts meeting the definition of tailored logistics support.

SUBPART 17.97 – CORPORATE CONTRACTS

17.9700 Contract clauses.

(a) For solicitations/contracts for corporate contracts, 52.217-9020, Corporate Contracts – Fill Rate and Unfilled Orders may be used.

PART 19 – SMALL BUSINESS PROGRAMS

(Revised October 21, 2015 through PROCLTR 2015-12)

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SUBPART 19.2 – POLICIES

(Revised November 7, 2013 through PROCLTR 2014-11)

19.201 General policy.

(b)(90) DLA small business specialists are guided by DLAI 2307, Small Business Programs. Contracting personnel should recognize the assigned responsibilities of these individuals and work

cooperatively with them to achieve the objectives of the DLA Small Business Program and to avoid duplication of effort.

(c)(10((B)(S-90) In accordance with FARS DEV 16-02, the following requirements apply regarding completion and coordination of the DD Form 2579:

(*1*) For manual buys, contracting personnel shall manually complete and distribute the August 2015 version of the DD Form 2579.

(*2*) For automated buys, continued use of the current system-generated DD Form 2579 is authorized.

(d)(10)(A) When procurement is valued over $3,000 and less than the Simplified Acquisition Threshold and is not totally set aside, document the reason for not setting aside the procurement on DD Form 2579 and submit it to the small business specialist for review.

(d)(10)(90)(a) Periodic reviews of automated awards to which either the legacy or the SAP deviation pertains shall be conducted to determine whether certain buys may be set aside in the future for HUBZone or service-disabled veteran-owned small business concerns (in the case of legacy system buys only) or 8(a) program participants. The contracting officer and small business specialist shall jointly consider backing out individual or groups of transactions, based on a national stock number or federal supply class, with suppliers identified in the System for Award Management (SAM) as HUBZone or service-disabled veteran-owned small business concerns or 8(a) (for legacy and SAP applications), from these automated systems.

(b) For review of an action that could result in a recommendation for a service-disabled veteran-owned small business (SDVOSB) set-aside, use the following procedures for individual or blanket DD 2579s until the form is revised: identify the contractor as an SDVOSB in the Acquisition History; indicate a set-aside recommendation in the "Remarks" block (line 14).

(d)(10)(91)(i) There are times when a contract action's estimated value will be less than $3,000, thus precluding the need for a DD 2579 review, but the resulting contract's actual value exceeds the review threshold. So long as the estimate was originally made in good faith, there is no need to conduct an after-the-fact review in accordance with DFARS 219.201(d)(10).

(ii) If changes to include quantity increases are made to the scope of the acquisition subsequent to establishment of the original good-faith estimate, and if these changes cause the potential value of the contract to exceed $3,000, do not proceed with the acquisition until a DD Form 2579 review is conducted.

(d)(11) See subsections 7.170-2 and 7.170-3 for a complete discussion of consolidation of contract requirements.

19.202-1 Encouraging small business participation in acquisitions.

(e)(90) Contract bundling. See section 7.107 for a complete discussion of this topic.

SUBPART 19.3 – DETERMINATION OF STATUS AS A SMALL BUSINESS, HUBZONE SMALL BUSINESS, OR SMALL DISADVANTAGED BUSINESS CONCERN

(Revised November 7, 2013 through PROCLTR 2014-11)

19.307 Solicitation provisions.

(90) When the provision at FAR 52.219-1, Small Business Program Representations, is used in solicitations issued via Enterprise Business System (EBS) Non-EProcurement (EP) electronic means for purchases above the SAT, use 52.219-9004, Small Business Program Representations.

SUBPART 19.5 – SET-ASIDES FOR SMALL BUSINESS

(Revised October 21, 2015 through PROCLTR 2015-12)

19.502-2 Total small business set-asides.

(a)(S-90) For all procurements valued over the simplified acquisition threshold (SAT), if the contracting officer does not proceed with a small business set-aside and purchases on an unrestricted or other non-set-aside basis, the decision to do so must be approved at least one level above the contracting officer.

(b)(S-90) The contracting officer shall document the DD 2579, Small Business Coordination Record, and attach a memorandum for record (MFR) explaining the reasons supporting the decision not to set-aside the procurement. The DD 2579 and the attached MFR shall be filed in the official contract file or electronic contract folder.

19.505 Rejecting Small Business Administration recommendations.

(b) If the chief of the contracting office approves the action of the contracting officer, the next level of appeal shall be the HCA. If the HCA approves the action of the contracting officer, the procurement center representative shall be so advised and may proceed with the appeal actions prescribed in FAR 19.505(c).

19.508 Solicitation provisions and contract clauses.

(90) Set-aside clauses designed for use in Enterprise Business Systems (EBS) applications. For the acquisition of items included on the Federal Prison Industries (FPI) schedule, FPI is permitted to submit an offer, and to have its offer be fairly considered, for any solicitation containing any of the following clauses. For these FPI schedule items, such solicitations will only be established following a comparability determination that results in the use of competitive procedures (including set-asides). See 8.602(a)(2)(S-90) and 19.502-1(b)(90), as well as FAR 19.504, 19.508(c), and 52.219-6, Alternate II for FPI guidance.

(a) Insert the clause at 52.219-9008, Combined HUBZone/Small Business Set-Aside Instructions – Type 1, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; either the non-manufacturer rule applies or an exception to the rule is to be employed; and a set-aside to a HUBZone small business concern or a small business concern is anticipated.

(b) Insert the clause at 52.219-9009, Combined HUBZone/Small Business Set-Aside Instructions – Type 2, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; the non-manufacturer rule is waived and no exception to the rule applies; and a set-aside to a HUBZone small business concern or a small business concern is anticipated.

(c) Insert the clause at 52.219-9013, Combined Set-Aside Instructions – Type 1, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; either the non-manufacturer rule applies or an exception to the rule is to be employed; and a set-aside to a service-disabled veteran-owned small business concern, HUBZone small business concern, or a small business concern is anticipated.

(d) Insert the clause at 52.219-9014, Combined Set-Aside Instructions – Type 2, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; the non-manufacturer rule is waived and no exception to the rule applies; and a set-aside to a service-disabled veteran-owned small business concern, HUBZone small business concern, or small business concern is anticipated.

(e) Insert the clause at 52.219-9015, Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 1, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; either the non-manufacturer rule applies or an exception to the rule is to be employed; and a set-aside to a service-disabled veteran-owned small business concern or a small business concern is anticipated.

(f) Insert the clause at 52.219-9016, Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 2, in automated solicitations and contracts in EBS applications when values will exceed the micro-purchase threshold, but will be less than or equal to the simplified acquisition threshold; the non-manufacturer rule is waived and no exception to the rule applies; and a set-aside to a service-disabled veteran-owned small business concern or a small business concern is anticipated.

(91) Each of the clauses at (a) through (f), above, refers to and applies multiple FAR set-aside clauses. However, only the FAR clause matching the awardee's small business program and type representation applies to the award. See 19.590, below.

19.590 Cascading/combined set-aside logic clauses for Enterprise Business Systems applications.

(a) The systems logic used in EBS automated procurements is able to consider the applicability of more than one kind of set-aside in a combined or "cascading" fashion, according to an order of precedence. It simultaneously accommodates service-disabled veteran-owned small business (SDVOSB) set-asides, HUBZone small business set-asides, and total small business set-asides, including exceptions and waivers to the non-manufacturers rule, where applicable. If, at the time of solicitation, there is a reasonable expectation of receiving offers from two or more SDVOSBs or HUBZone small business concerns, the EBS software will use a combined set-aside for the automated solicitation. All small businesses should be encouraged to submit quotes; however, offerors will be informed, by means of the provision language itself, and possibly by a message on the face of the solicitation, about the order of precedence in which the set-asides will be applied.

(b) If the acquisition is valued between $3,000 and $150,000 and there is a reasonable expectation of receiving competitive offers from two or more service-disabled veteran-owned small business (SDVOSB) concerns or HUBZone small business concerns, the request for quote (RFQ) produced automatically in EBS will contain a combined set-aside that follows this order of precedence:

(1) SDVOSB concerns; then, if no qualified quote is received from a SDVOSB concern;

(2) HUBZone small business concerns; then, if no qualified quote is received from a HUBZone concern;

(3) Small business concerns.

(c) If the acquisition is valued between $3,000 and $150,000 and there is a reasonable expectation of receiving competitive offers from two or more service-disabled veteran-owned small business (SDVOSB) concerns, but not from two or more HUBZone concerns, the RFQ produced automatically in EBS will contain a combined set-aside that follows this order of precedence:

(1) SDVOSB concerns; then, if no qualified quote is received from a SDVOSB concern –

(2) Small business concerns.

(d) If the acquisition is valued between $3,000 and $150,000 and there is a reasonable expectation of receiving competitive offers from two or more HUBZone small business concerns, but not from two or more service-disabled veteran-owned small business (SDVOSB) concerns, the RFQ produced automatically in EBS will contain a combined set-aside that follows this order of precedence:

(1) HUBZone small business concerns; then, if no qualified quote is received from a HUBZone concern.

(2) Small business concerns.

(e) If the acquisition is valued between $3,000 and $150,000 and there is a reasonable expectation of receiving competitive offers from two or more small businesses, but not from service-disabled veteran-owned small business (SDVOSB) concerns or HUBZone small business concerns, the RFQ produced automatically in EBS will become a total small business set-aside.

(f) If, after combining and "cascading" these set-asides, no qualified quote is received from a small business at a fair market price, the set-aside will be withdrawn and the buy re-solicited on an unrestricted basis.

SUBPART 19.6 – CERTIFICATES OF COMPETENCY

(Revised November 7, 2013 through PROCTLR 2014-11)

19.602 Procedures.

19.602-1 Referral.

(S-90) All contracting activities are encouraged to utilize a standardized and simplified form letter for CoC referrals. DLA Form 1756, Referral of Small Business for Certificate of Competency (CoC) Consideration, is available for this purpose.

19.602-3 Resolving differences between the Agency and the Small Business Administration (SBA).

(c)(S-90)(1) Within 3 workdays of receiving the SBA headquarters notification of its intention to uphold the SBA region's decision to issue a CoC, the contracting officer shall fax a report to J71 summarizing the pertinent facts of the case. (Voluminous reports should be express mailed.) The pertinent facts shall include the name of the prospective contractor, item, quantity, dollar value, the specific elements for which the prospective contractor was determined to be nonresponsible, a copy of the pertinent portions of the preaward survey, SBA's rationale for issuing the CoC, and the proposed alternative means of satisfying the requirements.

(2) A copy of this report shall also be forwarded to the SBS at the activity. The Director, DLA Acquisition (J7), shall review the information provided and advise the contracting officer within 5 workdays of the decision to support the appeal, or to recommend acceptance of the CoC.

(3) The Director, DLA Acquisition (J7) shall provide a copy of that decision to the Director, Small Business Programs. If the Director, DLA Acquisition (J7) elects to support the formal appeal, the contracting officer will be advised to expeditiously prepare the formal appeal and forward it through the activity SBS to DDAS in accordance with DFARS 219.602-3(c).

(4) The formal appeal shall include at a minimum, the particulars of the contract, (i.e., item, quantity, etc.), the pre-award survey; the contracting officer's determination of nonresponsibility, any appropriate update on the contractor's progress toward becoming responsible, and a discussion of the attempts made to reconcile differences with the SBA.

(5) The Director, DLA Acquisition (J7) shall be provided a simultaneous copy of the appeal. Formal appeals shall be forwarded for receipt at DLA within 5 workdays of notice that the Director, DLA Acquisition (J7) supports the contracting officer's intent to appeal. Formal appeals should be indexed and tabbed.

(S-91) Once the contracting office requests the SBA headquarters to review the intention of the area office to issue a CoC, DLA contracting personnel are not authorized to waive the right to appeal, or to forfeit an appeal, without the concurrence of the Director, DLA Acquisition (J7). Requests for such concurrence shall include substantially the same type of information submitted in the report notifying the Director, DLA Acquisition (J7) of the contracting officer's intention to appeal.

(S-92) All reports submitted by the contracting officer to the Director, DLA Acquisition (J7) concerning CoC appeals shall be forwarded through the chief of the contracting office (see 2.101) for all other activities.

(S-93) The requirements of subparagraphs 19.602-3(c)(90) and (91) do not apply to simplified acquisitions. Contracting offices are authorized to develop local procedures to process appeals on simplified acquisitions.

19.602-4 Awarding the contract.

(c)(S-90) If the activity has not heard from the cognizant SBA field office within 5 working days after referral, the activity will contact the SBA office to which the matter was referred to determine whether a CoC is being processed. The contract file shall be documented to reflect that this action was taken.

(S-91) In awarding a simplified acquisition:

(1) The contracting officer shall not agree to a longer period of time than 15 business days for the SBA reply before proceeding to award to another offeror unless the extension is approved by the chief of the contracting office.

(2) The contracting officer may proceed in accordance with FAR 19.602-4(c) when 15 calendar days have elapsed since the date of referral of the matter to SBA.

SUBPART 19.7 – THE SMALL BUSINESS SUBCONTRACTING PROGRAM

(Revised October 21, 2015 through PROCLTR 2015-12)

19.705 Responsibilities of the contracting officer under the subcontracting assistance program.

19.705-4 Reviewing the subcontracting plan.

(d)(7) The services of the activity and CAO small business specialist (SBS) are available to assist in review of subcontracting plans. Requests for review of a subcontracting plan by the cognizant CAO shall be forwarded through the SBS at the contracting office to the SBS at the CAO. The contracting officer should provide a reasonable length of time (generally, at least 7 working days) for the CAO review. The results of a CAO review, and any recommendations which arise therefrom, shall be evaluated by the contracting officer prior to approval of the subcontracting plan. The contract file shall be documented to reflect the review and the contracting officer's final decision on the goal accepted.

SUBPART 19.8 – CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(a) PROGRAM)

19.803 Selecting acquisitions for the 8(a) program.

(a)(4)(S-90) The contracting office shall assure that follow-on section 8(a) contract support will be provided for that period of time reflected in the SBA approved business plan. In furtherance of this, close coordination between the contracting officer and SBS is essential.

(c)(S-90) In addition to responding to SBA requests for potential requirements to support an approved business plan of a small disadvantaged firm, it is the policy of DLA to identify other requirements which are considered suitable for placement with SBA under the section 8(a) program. Contracting officers will consider the section 8(a) program as a possible method of satisfying all new requirements being processed for contract action. Special attention will be given to those commodities and services which are anticipated to be recurring requirements and for which there are a limited number of prospective small business sources.

19.804-90 Withdrawal of requirements.

(a) When circumstances arise indicating a need to withdraw requirements previously committed for Section 8(a) contracting, the contracting officer shall seek SBA agreement for such withdrawal through the SBS. If the SBA does not agree with such withdrawal, complete data supporting such proposed withdrawal shall be provided through the small business specialist to the Small Business Office for review and concurrence or nonconcurrence.

(b) When a requirement previously committed for Section 8(a) contracting is withdrawn and subsequently acquired by normal acquisition methods, the contracting officer shall, within 15 days after

award, provide a summary of the facts to the small business specialist on each item stating the DLA estimated fair market price (FMP), the SBA final offered price, and the final contract price.

19.807-90 Estimating fair market price.

(a) A fair market price (FMP) is one which the Government can be expected to pay in a competitive environment, in the current open market place. It is not necessarily the lowest price resulting from a competition under ideal conditions.

(b) In determining the FMP for an acquisition other than those covered in paragraph (c) (90) of this section, the contracting officer, whether using previous buys, a market survey, pricing data, and/or cost or pricing data, would exclude any identifiable abnormally priced offers.

(1) This includes prices which, although reasonable, were found to have been abnormally low or high due to special or non-recurring circumstances, such as a one-time price reduction, premium charge, distress sale, etc. The FMP should normally be derived based on adjusting the lowest, except for repeat purchases. No other price differential or adjustment factor shall be used (e.g., for independent Government estimate inaccuracies, for differences between fully competitive awards and reservations, for differences between awards to manufacturers and to dealers, etc.).

(2) The practice of soliciting quotes from non-8(a) sources for the sole purpose of determining the FMP should be used only after the contracting officer has exhausted the use of cost or price analysis and considered commercial prices for similar products and services, available in- house cost estimates, data (including cost or pricing data) submitted by the SBA or the 8(a) contractor, and data obtained from any other Government agency. Soliciting market quotes is an acceptable means of conducting a market survey. However, market quotes provided by contractors for this purpose could be misleading, since there is no corresponding performance risk for the contractor.

(c) Establishing an FMP does not mean that the section 8(a) subcontractor will always be able to meet the most recent, lowest, and /or comparable price obtained through full and open competition or sealed bidding.

(1) When there have been recent awards for comparable quantities of the item being purchased, which resulted from “normal competitive conditions,” the most recent award shall be the basis upon which FMP is determined. comparable quantity is not necessarily a similar quantity but must be one to which a logical price comparison can be made with the current quantity. Recent award prices of incomplete contracts or orders may be considered if they were determined reasonable under normal competitive conditions and there is no evidence of poor performance. All recent award prices are to be considered in determining if the most recent comparable price is representative of “normal competitive conditions.” If the most recent award price is not representative of “normal competitive conditions,” the file shall be so documented and the next most recent comparable award price shall be considered as the basis for the FMP determination. The contracting officer must ensure that the differences in acquisition strategies are fully considered when developing the FMP. Factors to consider when developing the FMP include but are not limited to direct vendor delivery, required delivery schedule, minimum order quantities, maximum order quantities, surge requirements, potential ship to locations, estimated annual quantities, contract period including options, free on board point, quality/inspection requirements , and packaging.

(2) Award of a section 8(a) contract shall not be delayed pending award of a recently issued solicitation which resulted in competitively priced offers, unless there is no reasonable basis for determining FMP other than the pending competitive award price.

(3) When a solicitation for a particular item would generally result in different unit prices for different line items, it may be desirable to develop a separate FMP for each line item. However, it is not permissible to establish a range of FMPs for any single item or group of items.

(4) Averaging of previous bid or award prices is prohibited.

(5) Previous section 8(a) award prices may be used to determine the current FMP only when a suitable previous competitive price is not available; and when the previous FMP was established in accordance with FAR and DLAD guidelines.

(6) A format similar to that in paragraph (d) of this section shall be used to document consideration of all relevant factors affecting price used to adjust the previous award price or base FMP, or the reason the factors were not adjusted.

(7) Once the FMP is established, considering previous award prices and all relevant factors affecting price, it will be the highest price that DLA will pay, except when a revised FMP, established within the FAR and DLAD guidelines, is fully supported and documented by the contracting officer.

(8) Although use of previous competitive award prices is the required method of determining FMP, whenever applicable, nothing in this directive shall preclude consideration of the unique factors of an individual acquisition or the application of another method of determining FMP, provided that the file clearly documents the reasonableness of the chosen approach.

(d) Documentation of FMP.

(1) For repeat purchases, the contract file shall be documented as to how the FMP was established in the format prescribed in paragraph (e) of this ection. The prescribed format provides for identification of the current requirement and identification of previous award prices. Unless unusual circumstances exist, the most recent award price under normal competitive conditions will be the base unit price. Other previous award prices are listed for purposes of comparison. A statement documenting that the base unit price being used is reflective of normal competitive conditions shall be included. If other than the most recent competitive award price is used the file shall be documented as to why the most recent award price was not used and as to the reasonableness of the selected base unit price.

(2) The base unit price established in accordance with paragraph (c) of this section shall be adjusted for the factors of the prescribed format and any other relevant factors. Adjustments can be increases or decreases to the base unit price. Calculation and rationale for the use of adjustment factors shall be documented. Factors not considered shall be annotated “not applicable.” The adjustment factors shall be added to or subtracted from the base unit price to arrive at the FMP for the current requirement.

(3) Provide additional justification, as necessary, to determine that the established FMP is a price that DLA would expect to pay under normal competitive conditions.

(4) The contracting officer may request the assistance of the activity cost and price analyst. The price analyst shall either prepare or review and coordinate on the FMP determination. If the price analyst does not concur with the contracting officer’s FMP determination the file shall be documented with the reasons for nonconcurrence. The FMP shall be approved by the contracting officer. f there is a disagreement between the SBA or 8(a) contractor and the contracting officer concerning the FMP determination, the SBS shall be given an opportunity to review the FMP determination and to provide comments. The disposition of any pricing or SBS comments shall be documented in the contract file.

(e) Prescribed FMP format.

Determination for repetitive procurements

1. IFB/RFP_____NSN_____ITEM_____

2. Base of FMP Quanity fob Unit Price Award date

Current requirement:
Previous procurement(s): 1)
2)
3)
Base unit price $_____

3. Adjustments (Show all calculations) + or - $

a. Quantity _____
b. EPA index (List index source, #, dates, title and values) _____
c. Transportation (List rate and source) _____
d. Delivery schedule _____
e. Packing and packaging (list rate and source) _____
f. Other (specify differing specs, terms, conditions, etc.) _____
Net adjustment (a through f above) _____

FMP for current requirement (base unit price + or – net adjustment) _____

4. Discussions _____

5. Coordination/approval:

Contracting officer's signature/date _____

Price analyst signature/date _____

Prepared _____ Reviewed _____

Concur _____ Nonconcur _____

Approved: Contracting Officer_____Date_____

19.809 Preaward considerations.
A contracting officer intending to award a contract to an 8(a) program participant shall independently determine the responsibility of the firm in accordance with the guidance contained in FAR, DFARS, and DLAD Subpart 9.1 whenever there is any question of the concern's ability to perform the contract. This may include conduct of a preaward survey, as appropriate. Negative or inconclusive responsibility determination results for an 8(a) program participant shall be referred to the SBA for certificate of competency consideration; see FAR, DFARS and DLAD Subpart 19.6. Notwithstanding this determination, the SBA remains the prime contractor on all 8(a) contracts, and continues to determine eligibility of such concerns for contract award. See DFARS 219.800.

19.812-90 Contract administration.
(a) The contracting officer or authorized representative shall notify the SBS prior to initiation of any adverse action against an SBA subcontractor. In cases involving initiation of default procedures, at the request of the SBS, the contracting officer shall provide the facts required for notification to DDAS.

(1) Early notification to the SBA of deficiencies in contract performance by a section 8(a) firm is particularly important in the administration of 8(a) contracts.

(2) Whenever it becomes known that the 8(a) subcontractor has encountered problems which could jeopardize contract performance, the SBS shall be notified. The contracting officer or authorized representative shall provide all reasonable assistance to the subcontractor to correct deficiencies.

(b) Requests for technical and/or management assistance which are in excess of DSC or DCMA capability and resources shall be referred through the SBS to DDAS. Through agreement between DLA HQ and SBA, technical and management assistance teams can, under certain circumstances, be made available to augment assistance provided by the contracting officer.

(c) As described in FAR 42.5, postaward orientation conferences with contractors are conducted to assure a clear understanding of the scope of the contract, the technical requirements, and the rights and obligations of the parties. The contracting officer or technical representative should initiate a request for

such a conference on all first time 8(a) contractors and when the 8(a) firm has experienced problems. Assure that all matters requiring clarification or resolution are considered and contractual requirements are explained.

SUBPART 19.14 – SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PROCUREMENT PROGRAM

(Revised November 7, 2013 through PROCTLR 2014-11)

19.1405-90 Service-disabled veteran-owned small business (SDVOSB) set-aside procedures.

(a) See 19.508 and 19.590 for further guidance on the use of the SDVOSB set-aside in EBS Non-EP environments having the capability to apply "cascading logic."

(b) When market research indicates that only one SDVOSB exists for a given acquisition, the primary criterion for an SDVOSB set-aside (i.e., reasonable expectation of receipt of offers from two or more eligible firms) cannot be fulfilled. In this situation, application of cascading logic could actually prevent award to the SDVOSB, because award will likely be made under the successive set-asides. If diligently performed market research fails to identify two or more SDVOSBs for an item or class of items, it may be appropriate for the contracting officer to remove those buys from automated processing (at the solicitation, as well as the evaluation phase), thus permitting application of SDVOSB sole-source authority.

(c) FAR 19.1405(c) requires that an SDVOSB set-aside shall be withdrawn if no acceptable offers are received from SDVOSB concerns and that, if the requirement remains valid, the procurement will be set aside for small business concerns as appropriate. Approval for the determination that no offers are acceptable, that the requirement remains valid, and whether the requirement will be set aside for small business concerns shall be obtained at one level above the contracting officer, and include written concurrence from the contracting activity's or office's small business office on the DD 2579 form.

19.1406-90 Sole source awards to service-disabled veteran-owned small business (SDVOSB) concerns.

(a) Proper reporting of the use of the SDVOSB sole-source authority in either a manual or an automated environment shall be accomplished through EBS or EProcurement. See pertinent line-by-line reporting instructions at 53.204-70(c) and (d).

PART 22 – APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

(Revised July 26, 2016 through PROCLTR 16-08)

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SUBPART 22.15 – PROHIBITION OF ACQUISITION OF PRODUCTS PRODUCED BY FORCED OR INDENTURED CHILD LABOR
22.1503 Procedures for acquiring end products on the list of products requiring contractor certification as to forced or indentured child labor.
SUBPART 22.74 – RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS
22.7404 Waiver.

22.001 Definition.
The designated Agency Labor Advisor for acquisition related issues is DLA Acquisition Policy Division Procurement Analyst identified on the List of Agency Labor Advisors at www.wdol.gov.

SUBPART 22.1 – BASIC LABOR POLICIES

22.103-4 Approvals.
(a) The approving official is the CCO.

SUBPART 22.15 – PROHIBITION OF ACQUISITION OF PRODUCTS PRODUCED BY FORCED OR INDENTURED CHILD LABOR

22.1503 Procedures for acquiring end products on the list of products requiring contractor certification as to forced or indentured child labor.
(e) Referrals shall be submitted to the Agency Labor Advisor for processing in accordance with DoDI 2200.01.

SUBPART 22.74 – RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS

22.7404 Waiver.
(c) Requests for waivers shall be submitted to the Agency Labor Advisor.

PART 23 – ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

(Revised September 19, 2016 through PROCLTR 16-09)

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23.302 Policy.

SUBPART 23.3 – HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA SHEETS

23.302 Policy.
For shipments into foreign countries, the contracting officer shall comply with requirements applicable to each country.

PART 25 – FOREIGN ACQUISITION

(Revised September 19, 2016 through PROCLTR 16-09)

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SUBPART 25.1 – BUY AMERICAN ACT – SUPPLIES
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SUBPART 25.1 – BUY AMERICAN ACT – SUPPLIES

25.103 Exceptions.
(b)(1)(iii)(C) Submit supporting documentation to the DLA Acquisition Operations Division.
(b)(2)(ii) Submit the determination and supporting documentation to the DLA Acquisition Operations Division.

SUBPART 25.8 – OTHER INTERNATIONAL AGREEMENTS AND COORDINATION

25.802-71 End use certificates.
DoD Directive 2040.3 can be found at http://www.dtic.mil/whs/directives/corres/pdf/204003p.pdf. For Military Service managed items at Depot Level Repairable (DLR) and Supply Storage and Distribution (SS&D) sites, the EUC is the responsibility of the Secretary of Military Department. Coordinate with Office of Counsel and the DLA Political Advisor (POLAD). Provide the request for a Category I and II EUC, or the waiver for Category III EUC, for DLA managed items to the DLA Acquisition Operations Division. Prior to anticipated award, allow ten (10) working days for processing of Category I EUC requests, 30 working days for Category II EUC requests, and 45 working days for Category III EUC waivers.

SUBPART 25.9 – CUSTOMS AND DUTIES

25.903 Exempted supplies.
(b)(ii) The contracting officer shall execute the certificate.

SUBPART 25.70 – AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION

25.7002 Restrictions on food, clothing, fabrics, hand or measuring tools, and flags.

25.7002-2 Exceptions.

(b)(3) Determination shall be forwarded to the DLA Acquisition Operations Division ten (10) working days prior to anticipated contract award.

SUBPART 25.73 – ACQUISITIONS FOR FOREIGN MILITARY SALES

25.7301 General.

(c)(iv) DEVIATION 2016-03 implements an exception granted to DLA by the Defense Security Cooperation Agency (DSCA) to allow FMS medical equipment and medical systems that the contracting officer has determined require manufacturer or distributor delivery and installation to be shipped as f.o.b. destination.

PART 27 – PATENTS, DATA, AND COPYRIGHTS

(Revised September 19, 2016 through PROCLTR 2016-09)

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27.101 Applicability.
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SUBPART 27.1 – GENERAL

27.101 Applicability.
Refer all patent, copyright, rights in data, and trademark matters through the Office of Counsel to DLA General Counsel.

SUBPART 27.2 – PATENTS

27.201 Patent and copyright infringement liability.

27.201-2 Contract clauses.
(e) Specific patents may be excluded in accordance with FAR 27.201-2(e) only with the prior approval of DLA General Counsel.

PART 28 – BONDS AND INSURANCE

(Revised March 29, 2016 through PROCLTR 2016-06)

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28.307 Insurance under cost-reimbursement contracts.
28.307-1 Group insurance plans.

SUBPART 28.1 – BONDS AND OTHER FINANCIAL PROTECTIONS

28.106 Administration.

28.106-90 Review of bonds and consent of surety.
Contracting officers shall obtain legal sufficiency from Office of Counsel on all bonds and all consents of surety.

SUBPART 28.3 – INSURANCE

28.305 Overseas workers' compensation and war-hazard insurance.
(d) Instructions for waiver of Defense Base Act requirements can be accessed at http://www.acq.osd.mil/dpap/cpic/cp/waivers_for_defense_base_act_insurance.html. Requests for waiver must be made in writing[using] Form BEC 565, which may be accessed at http://www.dol.gov/owcp/dlhwc/lsdba/htm under "Insurance Information," "Request for Waiver – Defense Base Act, Form BEC 565," or by direct link at http://www.dol.gov/owcp/dlhwc/DBARRequestforWaiver.pdf.] Prepare requests in accordance with DFARS PGI 228.305(d) in coordination with Office of Counsel. Submit request for waiver to the DLA Acquisition Policy Division for signature by the [Director, DLA Acquisition. The DLA Acquisition Policy Division will submit the request to the Department of Labor.

28.307 Insurance under cost-reimbursement contracts.

28.307-1-90 Group insurance plans.
(a) Submit insurance policies under the Defense Department Group Term Insurance Plan to the cognizant Defense Contract Management Agency (DCMA) office for approval.

PART 30 – COST ACCOUNTING STANDARDS ADMINISTRATION

(Revised March 29, 2016, through PROCLTR 2016-06)

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30.201-5 Waiver.

SUBPART 30.2 – CAS PROGRAM REQUIREMENTS

30.201-5 Waiver.

(a)(1)(B) Waiver requests for individual procurements shall be submitted to the DLA Acquisition Contract and Pricing Compliance Division for coordination with the DLA Acquisition Director prior to submission to DPAP for approval.

(e) The DLA Acquisition Contract and Pricing Compliance Division prepares the annual report on CAS waivers for approval by the Senior Procurement Executive and submits the report to DPAP.

PART 32 – CONTRACT FINANCING

(Revised March 29, 2016 through PROCLTR 16-06)

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32.006 Reduction or suspension of contract payments upon finding of fraud.
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32.006-4 Procedures.
32.006-5 Reporting.
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32.114 Unusual contract financing.
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32.501 General.
32.501-2 Unusual progress payments.
SUBPART 32.9 – PROMPT PAYMENT
32.905 Payment documentation and process.
32.908 Contract clauses.
32.908-4 Transporter proof of delivery (TPD).

32.006 Reduction or suspension of contract payments upon finding of fraud.

32.006-3 Responsibilities.
(b)Instances of suspected fraud shall be promptly forwarded to Office of Counsel.

32.006-4 Procedures.
(a) The DLA Remedy Coordination Official is the lead Associate General Counsel for Business Integrity.

32.006-5 Reporting.
The DLA Remedy Coordination Official prepares the annual report that is submitted by the DLA Director to the Under Secretary of Defense (Acquisition and Technology) through the Director of Defense Procurement and Acquisition Policy (DPAP).

SUBPART 32.1 – NON-COMMERCIAL ITEM PURCHASE FINANCING

32.114 Unusual contract financing.
The contracting officer shall submit the proposed alternate financing arrangement to the DLA Acquisition Contract and Pricing Compliance Division for DLA Acquisition Director approval and submission to DPAP.

SUBPART 32.4 – ADVANCE PAYMENTS FOR NON-COMMERCIAL ITEMS

32.402 General.
(e)(1) The approval authority is the DLA Acquisition Director.

(2) The DLA Acquisition Director shall coordinate with the DLA Comptroller before advance payment authorization.

32.409 Contracting officer action.
Contracting officers shall transmit their recommendation for approval or disapproval to the DLA Acquisition Contract and Pricing Compliance Division for submission to the approval authority.

SUBPART 32.5 – PROGRESS PAYMENTS BASED ON COSTS

32.501 General.

32.501-2 Unusual progress payments.
(a) All unusual progress payments provisions along with supporting information, shall be **s**ubmitted to the DLA Acquisition Contract and Pricing Compliance Division to obtain DLA Acquisition Director and DLA Finance coordination prior to submission to DPAP for approval.

SUBPART 32.9 – PROMPT PAYMENT

32.905 Payment documentation and process.
(a) General.
(S-90)(1) Transporter proof of delivery (TPD).
(i) TPD is a commercial document generated by the contractor and/or the transporter of supplies and signed by the Government customer at time of delivery. TPD, in combination with adequate contractor documentation cross-referencing the TPD to the specific supplies provided, demonstrates customer receipt. Coupled with acceptance, this documentation allows the Government to initiate the payment process. The TPD process enables contractors to take advantage of existing wide area work flow (WAWF) functionality to execute the submission of proof of delivery documentation.
(ii) PD is not a substitute for any other requested receipt and acceptance documentation, such as the material receipt acknowledgement (MRA) or the WAWF receiving report (RR), but is a supplement to such documentation.
(b) Content of invoices.
(S-90)(1) Transporter proof of delivery (TPD).
(i) DLA may accept supplies based on submission by the contractor of satisfactory documentation to demonstrate customer receipt of supplies under a specific contract or order in accordance with 32.905(a)(S-90)(1).
(ii) If the customer has submitted a supply discrepancy report (SDR) or MRA discrepancy indicator, payment shall not be made until the discrepancy is resolved.
(c) Authorization to pay.
(S-90)(1) Transporter proof of delivery (TPD).
(i) Application. Contracting officers at DLA Aviation, DLA Land and Maritime, and DLA Troop Support shall insert the clause at 52.232-9006, Transporter Proof of Delivery (TPD), in solicitations and awards for supplies when all of the following conditions apply:
(A) Contract deliveries will be made directly to DLA customers;
(B) Award will be made on a fixed-price basis;
(C) Inspection or acceptance at source is not required;
(D) Use of fast payment procedures is not authorized;
(E) Shipments to overseas destinations or to containerization consolidation points are not required; and

(F) Acquisition is not being conducted under the subsistence total order and receipt electronic system (STORES), Defense Medical Logistics Standard Support (DMLSS), Industrial Prime Vendor (IPV), or Integrated Logistics Partner (ILP) programs.

(ii) Transporter proof of delivery procedural guidance.

(A) Contract terms are as follows:

(1) Designate "inspection" and "acceptance" as "other;" and

(2) Designate the "Acceptor at Other" Department of Defense activity address code (DoDAAC) as follows:

(i) If "issue by" DoDAAC is SPM1 or SPE1, use SP1001.

(ii) If "issue by" DoDAAC is SPM2 or SPE2, use SP2001.

(iii) If "issue by" DoDAAC is SPM3 or SPE3, use SP3001.

(iv) If "issue by" DoDAAC is SPM4A1 or SPE4A1, use SP4001.

(v) If "issue by" DoDAAC is SPM5 or SPE5, use SP5001.

(vi) If "issue by" DoDAAC is SPM7L1 or SPE7L1, use SP7001.

(vii) If "issue by" DoDAAC is SPM7M1 or SPE7M1, use SP7001.

(viii) If "issue by" DoDAAC is SPM8 or SPE8, use SP8001.

(B) Financial customer liaison (FCL) and supply chain responsibilities are as follows:

(1) The FCL will initiate a request to the contractor for proof of delivery as appropriate in accordance with procure to pay (P2P) process cycle memorandum (PCM) 11, blocked invoice. When a contractor resubmits the wide area work flow (WAWF) receiving report (RR) with TPD documentation attached, the FCL will review the documentation to determine if sufficient information is provided to adequately demonstrate customer receipt. If not, the FCL will respond to the contractor and identify the additional information that must be submitted. If the documentation is satisfactory, and no discrepancy notification has been submitted by the customer, the FCL will accept the supplies in WAWF. This will generate a transaction resulting in the posting of a goods receipt in the enterprise business system (EBS), which will allow the payment process to begin.

(2) The customer is still required to submit the material receipt acknowledgement (MRA), and supply chains shall continue to ensure that follow up action is taken by appropriate personnel to obtain the MRA from the customer when it is not provided.

32.908 Contract clauses.

32.908-94 Transporter proof of delivery (TPD). Insert the clause at 52.232-9006, Transporter Proof of Delivery, when applicable in accordance with 32.905(c)(S-90)(1)(i) and when either the clause at 52.232-25, Prompt Payment, or the clause at 52.212-4, Contract Terms and Conditions – Commercial Items, is used.

PART 33 – PROTESTS, DISPUTES, AND APPEALS

(Revised November 19, 2013 through PROCLTR 2014-31)

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33.211 Contracting officer's decision.
33.212 Contracting officer's duties upon appeal.
33.213 Obligation to continue performance.
33.214 Alternative dispute resolution (ADR).

SUBPART 33.1 – PROTESTS

33.103 Protests to the agency.

(d)(4)(S-90)(i) Protesters may submit a protest to the contracting officer or, under the authority of Executive Order (EO) Number 12979, Agency Procurement Protests, as implemented by FAR 33.103(d), may request an independent review of their protest at a higher level than the contracting officer. The decision authority for an agency level protest under EO 12979 shall be the chief of the contracting office (CCO). This authority may not be redelegated. In those instances where the CCO has had previous personal involvement with the procurement, the decision-maker shall be the HCA at contracting activities and the Deputy Director, DLA Acquisition (J7) for contracting offices for which the Director, DLA Acquisition is the HCA. Solicitations must indicate that this independent review is available as an alternative to consideration by the contracting officer, rather than as an appellate procedure.

(ii) Legal review is required on all protest decisions, whether the protest was submitted to the contracting officer or was submitted under EO 12979.

(iii) DLA activities have flexibility in designing specific procedures for resolving agency level protests under EO 12979. However, procedures used shall ensure the protest decision authority reviews input from both the protester and the contracting officer in order to reach an independent decision. As with all protests, activities shall consider using Alternative Dispute Resolution (ADR) techniques in resolving agency level protests.

(iv) Each activity shall collect information concerning agency level protests filed each fiscal year under EO 12979. This information shall include the number of protests filed and their disposition, whether or not there was a stay of the procurement or contract award, and the number of any subsequent protests to the U.S. Government Accountability Office (GAO).

33.104 Protests to GAO.

(a) General procedures.

(2) The contracting activity's or office's Counsel is responsible for ensuring that the notice of protest filed at GAO is provided to all interested parties. The notice can be provided by either the contracting activity or office or by Counsel.

(3)(90) After receiving a protest, the chief counsel for the contracting activity or office (see 33.104(a)(7)(S-90)) must ensure that the protest is reviewed for possible corrective action or disposition using alternative dispute resolution (ADR). For protests not resolved through ADR, the chief counsel

shall ensure his or her respective legal office provides appropriate representation, including submission of the report and documents required by FAR 33.104(a)(3). Letters transmitting agency reports to GAO must be signed by the chief counsel responsible for the contracting activity or office.

(4)(i) The attorney assigned to handle the protest is responsible for ensuring that DLA Chief Trial Attorney receives an electronic copy of the agency report by the day the report is due to GAO and receives copies of any comments received from the protester or interested parties. For DLA Disposition Services Counsel and DLA Distribution Counsel, a draft agency report must be provided to DLA Chief Trial Attorney 5 days before the report due date. A full copy with attachments may be forwarded immediately by mail.

(7)(S-90) DLA Chief Trial Attorney has provided GAO the name, title, and telephone number of a DLA General Counsel procurement attorney as the designated DLA contact for protests.

(i) The DLA Chief Trial Attorney is the administrative focal point for all DLA protests filed with GAO. Immediately after receiving written notice from GAO of a protest, the DLA Chief Trial Attorney will notify the contracting activity's or office's Office of Counsel that a protest has been filed with GAO. The contracting activity's or office's Office of Counsel shall promptly assign an attorney to the protest and shall notify the DLA Chief Trial Attorney and GAO of the name and phone number of the assigned attorney. The assigned counsel should consult DLA's Bid Protest Procedures Manual for specific procedures regarding protests before GAO.

(ii) The chief counsel of the following offices have been delegated the authority and responsibility to represent DLA in bid protests filed with GAO for their respective contracting activities and offices: DLA Land and Maritime, DLA Energy, DLA Aviation, DLA Troop Support, DLA Disposition Services, and DLA Distribution.

(iii) For offices of counsel that have not been delegated the authority and responsibility to represent DLA in bid protests filed with GAO, the DLA Chief Trial Attorney will notify GAO of which DLA attorney is assigned to the protest action.

(iv) Offices of counsel that have not been delegated the authority and responsibility to represent DLA in bid protests filed with GAO shall forward the complete report, including all relevant documents, to the DLA Chief Trial Attorney within 20 days after the protest was filed with GAO, unless the circumstances in FAR 33.104(a)(3)(i)(A) or (B) apply. If GAO has invoked the express option, the Office of Counsel handling the protest shall contact the DLA Chief Trial Attorney to establish a report due date. That office shall also furnish the names and addresses of any interested parties. The DLA Chief Trial Attorney shall be responsible for submitting the report required by FAR 33.104(a)(3) to GAO, and copies of the report to the protester and other interested parties.

(b) Protests before award.

(1) If the contracting activity or office determines it is necessary to award a contract after receipt of a notice from GAO that a protest has been filed, the head of the contracting activity (HCA), with coordination by the chief counsel, shall make the written finding required by FAR 33.104(b)(1). Counsel must send a copy of the finding to the DLA Chief Trial Attorney.

(90) Contracting offices not designated as contracting activities (see 2.101) shall submit the proposed finding through their chief counsel to the DLA Chief Trial Attorney for coordination. The DLA Chief Trial Attorney will provide the proposed finding to the DLA Acquisition Deputy Director with a recommendation for approval or disapproval. If the DLA Acquisition Deputy Director approves and signs the finding, DLA Acquisition shall immediately notify the DLA Chief Trial Attorney and shall provide the DLA Chief Trial Attorney a copy of the signed determination.

(2) Before the contracting activity or office awards the contract, the attorney handling the protest shall notify GAO of the finding made under FAR 33.104(b)(1) in accordance with FAR 33.104(b)(2). For contracting offices where the DLA Acquisition Deputy Director is the HCA, DLA Chief Trial Attorney will notify GAO of the finding.

(c) Protests after award.

(1) For purchase orders, award is considered to be made on the date the purchase order is issued. If a protest is received within 10 days of the date a purchase order is issued, the contracting activity or office shall suspend performance of the order. This determination shall be coordinated with Counsel handling the protest.

(2) If the contracting activity or office decides to continue contract performance pursuant to a written finding by the HCA under FAR 33.104(c)(2), that finding must be made with coordination by the Chief Counsel for the contracting activity or office involved. If the DLA Acquisition Deputy Director is the HCA, coordination by the DLA Chief Trial Attorney is required. After the HCA has signed the authorization to continue performance, the Chief Counsel shall notify the DLA Chief Trial Attorney of the HCA's finding and immediately provide it a copy.

(90) Contracting offices for which the DLA Acquisition Deputy Director is the HCA (see 2.101) shall submit the proposed finding through their chief counsel to DLA Chief Trial Attorney for concurrence. The DLA Chief Trial Attorney will provide the proposed finding to the Director, DLA Acquisition, with a recommendation for approval or disapproval. If the DLA Acquisition Deputy Director approves and signs the finding, DLA Acquisition shall immediately notify the DLA Chief Trial Attorney and shall provide the DLA Chief Trial Attorney a copy of the signed determination.

(3) Before the contracting activity or office lifts the stop work order or performance is otherwise continued, the attorney handling the protest shall notify GAO of the finding made under FAR 33.104(c)(2). For contracting offices where the DLA Acquisition Deputy Director is the HCA, the DLA Chief Trial Attorney will notify GAO of the finding made under FAR 33.104(c)(2).

(g) Notice to GAO.

(90) When a protest has been sustained, the chief counsel of the contracting activity or office involved shall notify the DLA Chief Trial Attorney if the contracting activity or office recommends the agency not follow the GAO recommendation. A final decision not to follow the GAO recommendation shall be made by the DLA Acquisition Deputy Director, through coordination with the DLA Chief Trial Attorney. If the DLA Acquisition Deputy Director determines, after coordinating with the DLA Chief Trial Attorney, not to follow the GAO recommendation, the DLA Chief Trial Attorney shall notify the chief counsel in writing of the determination. The chief counsel shall then submit a report under FAR 33.104(g) detailing why the agency has not fully implemented the GAO recommendation. In accordance with FAR 33.104(g), the report must be signed by the HCA.

(h) Award of costs.

(90) The authority and responsibility for resolving claims for protest costs has been delegated to the chief counsels of the following offices: DLA Energy, DLA Land and Maritime, DLA Aviation, DLA Troop Support, DLA Disposition Services, and DLA Distribution. This authority may not be redelegated. All decisions resolving claims for protest costs require concurrence of the contracting officer.

(91) The authority to resolve protest claims applies not only when the GAO issues a decision recommending protest costs be paid, but also when the agency takes corrective action after determining the solicitation, proposed award, or award does not comply with applicable laws and/or regulations. The amount paid, however, is limited by 31 U.S.C. § 3554(c)(2).

(92) Offices of counsel that have not been delegated the authority to settle claims for protest costs shall forward requests for protest costs, attorneys' fees, and/or bid or proposal preparation costs to the DLA Chief Trial Attorney. The DLA Chief Trial Attorney, in consultation with the applicable office of counsel, is responsible for disposition of these claims. The applicable Office of Counsel is responsible for ensuring contracting offices pay protesters in accordance with the settlements reached.

33.106 Solicitation provision.

(90) The contracting officer shall insert a provision substantially the same as the provision at 52.233-9000 in all solicitations, including solicitations for acquisitions of commercial items.

SUBPART 33.2 – DISPUTES AND APPEALS

33.209 Suspected fraudulent claims. Suspected fraudulent claims will be referred to the contracting activity or office Office of Counsel for appropriate action and/or investigation, which may include reporting the matter to DLA General Counsel, consistent with FAR 9.406-2 and 9.406-3, DFARS 209.406-3 and DFARS PGI 209.406-3, and DLAD 9.406-3.

33.211 Contracting officer's decision.
(a)(4)(v) Contracting officers shall include ADR language in final decisions, unless the proper official has determined in writing that ADR is inappropriate. (See 5 U.S.C. § 572(b) and Defense Logistics Agency Directive 5025.30, Defense Logistics Agency Issuance Alternative Dispute Resolution Policy. The contracting officer shall add a statement substantially as follows to the end of the paragraph regarding the contractor's appeal rights: "Subject to the appeal time frames specified above, you may request that this dispute be resolved using alternative dispute resolution procedures."

33.212 Contracting officer's duties upon appeal.
(90) Notice of appeal to the Armed Services Board of Contract Appeals (ASBCA): Notices of appeal that are submitted directly to the contracting officer shall be forwarded immediately to the applicable office of counsel for further re-transmission to the ASBCA. Direct communication by the applicable office of counsel with the ASBCA is authorized. The charter and rules of the ASBCA are set forth in the DFARS, Appendix A. All official correspondence to the ASBCA will be addressed to the Recorder, Armed Services Board of Contract Appeals, Skyline 6, 5109 Leesburg Pike, Suite 700, Falls Church, Virginia 22041-3208.

33.213 Obligation to continue performance.
(a) When the Alternate I of the clause at FAR 52.233-1, Disputes, is proposed to be used in contracts when permitted by the circumstances described in DFARS 233.215, the determination shall be approved by the contracting activity's HCAs. For those DLA activities not designated as a contracting activity, the determination to use the Alternate I, as provided in DFARS 233.215, shall be forwarded to DLA Acquisition J72 by cover letter signed by the Commander/Director for approval by the Director, DLA Acquisition (J7). Examples of the types of unusual circumstances when continued performance may be determined to be vital to the national security or public health and welfare include the acquisition of weapons support systems, and related components other than those listed in DFARS 233.215, or other essential supplies or services whose timely reprocurement from other sources would be impracticable.

33.214 Alternative dispute resolution (ADR).
The contracting officer shall insert the clause at 52.233-9001 in all solicitations and awards when the clause at FAR 52.233-1 is used, including acquisitions conducted using FAR Part 12, unless the conditions described in FAR 33.203(b) apply, or unless a different ADR clause is used that is specifically tailored to the acquisition.

PART 37 – SERVICE CONTRACTING

(Revised October 24, 2016 through PROCLTR 2016-10)

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SUBPART 37.1 – SERVICE CONTRACTS – GENERAL

37.102 Policy.

(f) The following management positions in addition to the CAE are designated following DoD Instruction 5000.74, Defense Acquisition of Services, Enclosure 4, dated January 5, 2016. The DLA Acquisition Deputy Director is the Senior Services Manager (SSM). The Component Level Leads (CLLs) by portfolio group are:

Electronics/Communications Services (ECS), DLA Information Operations Deputy Director
Facilities Related Services (FRS), DLA Chief of Staff (CoS)
Knowledge Based Services (KBS), DLA Information Operations Program Execution Officer (PEO)
Medical Services (MS), DLA CoS
Equipment Related Services, DLA Logistics Policy and Strategic Programs Executive Director
Transportation Related Services, DLA Logistics Policy and Strategic Programs Executive Director
Logistics Management Services, DLA Logistics Policy and Strategic Programs Executive Director

These portfolios comprise the vast majority of all DLA acquisitions of services. The SSM shall serve as the CLL for acquisition of services that fall outside the scope of the above designations.

Acquisition strategy for service requirements shall maximize opportunity for small business.

37.103 Contracting officer responsibility.

(e) The contracting officer shall ensure compliance with USD(AT&L) memorandum dated November 28, 2012, Enterprise-wide Contractor Manpower Reporting Application. The contractor manpower reporting requirement does not apply to procurements listed by product service code S111 Utilities-Gas services, S112 Utilities-Electricity services, S113 Utilities-Telephone and/or Communications services, S114 Utilities-Water services, S119 Other Utilities and Construction of structures and facilities.

(f) Adhere to the requirements set forth in the USD(AT&L) memorandum dated December 6, 2012, Service Acquisition Workshop (SAW). Document the consideration of a SAW for actions over $100 million. Acquisitions for services valued over $100 million shall be coordinated with the SSM.

(S-90) Solicitations and contracts shall include procurement note C05 when the services to be provided require professional employees, and evaluation of proposed key managerial personnel is required to assess the probability of successful performance.

*****

C05 Changes to Key Personnel (OCT 2016)

Certain skilled, experienced, professional and/or technical personnel are essential for successful accomplishment of the work to be performed under this contract. These are defined as "key personnel" and are those persons whose resumes are submitted as part of the technical/business proposal for evaluation. The contractor shall use key personnel as identified in its proposal during the performance of this contract and will request contracting officer approval prior to any changes. Requests for approval of any changes shall be in writing with a detailed explanation of the circumstances necessitating the change.

The request must contain a complete resume for the new key personnel and any other pertinent information, such as degrees, certifications, and work history. New key personnel must have qualifications that are equal to or higher than those being replaced. The contracting officer will evaluate the request and notify the contractor whether the requested change is acceptable to the Government.
*****

37.110 Solicitation provisions and contract clauses.
(a) Solicitations shall include procurement note L07 to identify Government points of contact for offerors who wish to inspect the Government installation where services will be performed.
*****
L07 Site Visit Instructions (OCT 2016)

Primary Name:	Phone Number
Alternate Name:	Phone Number

*****

PART 39 – ACQUISITION OF INFORMATION TECHNOLOGY (IT)

(Revised December 20, 2013 through PROCLTR 2014-54)

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SUBPART 39.2 – ELECTRONIC AND INFORMATION TECHNOLOGY (E & IT)

39.201 Scope.
(a) General Service Administration (GSA) requires all contracts and purchase requests for E&IT, regardless of cost, to include Section 508 requirements as well as the 508 technical standards for each category of E&IT products and services being obtained. However, note that the GSA IT-70 solicitation contains Section 508 requirements.
(b) Further information on Section 508 is available via the internet and on the intranet in eWorkplace under J6.

39.204 Exceptions. Consult with the procuring organization's office of counsel when seeking an exception to having the acquisition of E&IT supplies and/or services meet the applicable accessibility standards at 36 CFR Part 1194, E&IT Accessibility Standards.

SUBPART 39.74 – TELECOMMUNICATIONS SERVICES

39.7402 Policy
(b)(4) Process recommendations to provide property pursuant to DFARS 239.7402 (b)(4) through J72, who will coordinate with the Director, DLA Acquisition (J7) for the necessary authorization.

SUBPART 39.90 – PROCEDURES, APPROVALS AND TOOLS

39.9001 Procedures for IT procurement.
(a) All mid-tier requirements must be coordinated with J6 and other business offices as needed, e.g., J8, prior to submission to the contracting office. Mid-tier refers to equipment that is in the range between individual work stations and mainframe computers. Mid-tier uses include client servers, network controllers, process controllers, and dedicated single application processors.
(b) DLA Document Services is the single office with authority to procure office document devices and their associated maintenance support and consumables (and is an optional source for paper). These devices include network and stand-alone copiers, printers, multi-functional devices, scanners, fax machines, and related support services. Upon request to the DLA Document Services Chief of the Contracting Office, waivers to this mandate will be reviewed for approval by DLA Document Services.
(c) The DLA Contracting Services Office (DCSO) is responsible for acquiring IT services, supplies, equipment (other than office document devices procured by DLA Document Services), training, and/or

subscriptions for DLA. Non-DCSO procuring organizations may award contracts or orders for IT if the total value of the contract or order (including options) does not exceed $500,000.

(d) Requirements with a value exceeding the threshold of $500,000 shall be procured by DCSO, unless approval of the DCSO Chief of the Contracting Office (CCO) is obtained. Non-DCSO procuring organizations shall request this procurement authority in writing to the DCSO CCO who will determine whether the procurement action will be performed by the non-DCSO procuring organization or DCSO based on the facts presented.

(e) Proposed use of the Defense Information Systems Agency defense enterprise integration services contracts shall be submitted to the DLA CIO, through the DCSO, unless otherwise authorized in writing by the DLA CIO.

(f) All requirements to be acquired using the GSA federal systems integration and management program shall be staffed through the DCSO to the DLA CIO for informational purposes and investment accountability by the DLA CIO.

(g) Refer to section 4.1302 when acquiring personal identity verification products and services.

(h) Prior to acquiring commercial software or software maintenance the contracting officer shall review DFARS Subparts 208.74 and 227.72, the DLA Issuance, Smartbuy and Enterprise Software Initiative (ESI) Enterprise Service Agreements (ESA), which is accessible through eWorkplace, and the DLA Information Technology Solutions Document. Requests for waiver in accordance with DFARS PGI 208.7403 and DFARS 227.72 shall be submitted to J6 (see DLA Issuance, Smartbuy and Enterprise Software Initiative (ESI) Enterprise Service Agreements (ESA), 4.6.3.2). .

(i) Any requirements that require the contractor to develop, store, process, display or transmit information that is used in any DLA business process must be coordinated with J-6 in the acquisition planning stage.

(j) Consult the DLA Information Technology Solutions Document in DLA eworkplace under J6 to ensure that there are no existing IT solutions that can meet the acquisition requirement.

(1) Though this document provides Agency IT solutions, the contracting officer must ensure that all necessary procurement requirements are followed when using sources listed therein. Some areas to consider include the competitive process (see FAR 6.1), sole source and limited source justifications (see FAR Subpart 6.3 and FAR 8.405-6), including brand name situations, economies of scale and scope of the listed source(s).

(2) Contact J-6 to request the addition of a new solution to the document.

(k) For telecommunications equipment and services:

(1) The contracting officer shall ensure that, for capital investment requirements $250,000 or greater, capital investment funding shall be used.

(2) Communication Services Authorities or other communications services orders or agreements shall be signed by the contracting officer.

(l) Internal Use Software (IUS).

(1) As defined in Statement of Federal Financial Accounting Standards (SFFAS) Number 10, Accounting for IUS, “IUS” is software used to operate a federal entity’s programs (e.g., financial, administrative and project management software), and to produce the entity’s goods and services.

(2) Requiring activity program managers are responsible for: classifying a software procurement as IUS, structuring software requirement deliverables in accordance with the IUS CLIN classification guidelines stated in paragraph (m)(4) below, and preparing the IUS classification and acknowledgement certification form identified in paragraph (m)(4) below.

(3) Contracting officers are responsible for validating that the CLINs have been properly assigned in accordance with paragraph (m)(4) (i) below, signing the certification in paragraph (m)(4)(ii) below (Internal Use Software Acknowledgment Certification) ensuring contractors submit invoices in accordance with the CLIN structure, and ensuring contracting officer representatives (COR) accept contractor

deliverables and invoices consistently with the invoiced CLINs. A copy of the signed certification shall be placed in the contract file. Validating the CLINs can be delegated to CORs but must be certified by the contracting officer.

(4) Contract Line Item Number Capitalization Table and Software Acknowledgement Certification.

(i) CLIN Capitalization Table for Internal Use Software (IUS).

Table 1

Contract Line Item Number (CLIN) Capitalization Table for Internal Use Software (IUS)

CLIN	Title	Description	Work Products, Deliverables, and Major Reviews	Example Costs	Capitalized or Expensed?
CLIN 0001	Acquisition/ Design	This phase includes all actions leading to source selection of a commercial off the shelf (COTS) or other commercial source. For internally developed software, this phase includes all actions prior to system requirements specification (SRS).	•Determination of existence of needed technology •Conceptual formulation of alternatives •Evaluation and testing of alternatives •Final selection of alternatives	•Labor •Travel	Expensed
CLIN 0002	Program Management	Program management activities include developing budgets, monitoring cost and schedule, forming the project team, and monitoring technical performance of the project. Additional critical functions include risk and issue management, schedule management, earned value management (EVM) metrics and documentation, performance management, and configuration management. It includes identifying all necessary activities required for production readiness and assisting in the development and deployment of the plan. Project management activities are performed across the entire project life-cycle.	•Business Case Analysis (BCA) •Governance Charter •Performance Measurement Plan (PMP) •Scope Document •Formulation Authorization Document (FAD) •System Concept Document •Memorandums of Understanding (MOUs) •Project Schedule (resource loaded) •Acquisition Plan and Documents •Risk Management Plan •Framework Agreement Document •PMC Formulation Request •Budget Documentation •Risk Reviews •Business Impact Assessment •Workforce Analysis • Transition Management Plan •Service Level Agreement • Operations Level Agreement	•Labor •Travel	Program manage-ment office (PMO) indirect costs shall be expensed or capitalized, depending on: 1) their materiality to overall cost of individual software develop-ment projects and 2) in which phase the costs were incurred.
CLIN 0003	Software Development	Perform preliminary and detailed design. (This is specific to an implementation). Conduct unit testing. Develop supplemental materials such as end user procedures and job aids.	•Design Documents •Software configuration and interfaces •Software Coding •Technical system documentation •Unit testing plans and results •Software functionality	•Labor •Travel	Capitalized

CLIN	Title	Description	Work Products, Deliverables, and Major Reviews	Example Costs	Capitalized or Expensed?
			•Development of end user procedures, user manuals and/or job aids •Process flows •Training development		
CLIN 0004	Data Conversion	Data conversion plans developed identifying conversion source systems and the data conversion strategy. The data conversion plan will document the source data layout, business rules requirements, mapping requirements, security requirements, and reporting requirements for each conversion. Mock data conversion tests are conducted and data conversion system requirements specifications developed.	•Data Conversion Plan •Data conversion mapping documentation •Mock data conversions •Migrated data	•Labor •Travel	Expensed
CLIN 0005	Technical Architecture	Technical architecture focuses on the system concept documentation as well as the development of the system environments for design and modeling. Technical architecture develops all system environments for the development and production of the system including: development environment, systems integration testing environments, performance testing environment, training environment, and production environment.	•Operations Plan •Performance Test Plan •Systems Architecture Test Plan • System Integration Test (SIT) -1 Environment •SIT-2 Environment •SIT-3 Environment •Performance Test Environment •Training Environment •Production Environment	•Labor •Travel	Capitalized
CLIN 0006	Security	Focuses on security requirements for the life-cycle of the project. Initial tasks include the identification of the project security categorization, assessment of security risks, and the documentation of contingency plans. A security business impact assessment is conducted along with security planning, risk mitigation planning, and privacy impact assessments for personal identifiable information (PII) and sensitive data (SD).	•Preventative Controls •Recovery Strategy •Privacy Impact Assessment (PIA) •Sensitive Data Review (SDR) •Security Risk Assessment •Security Risk Mitigation Plan •Security Functional Requirements Analysis Report •Security Assurance Requirements Analysis Report •Cost Considerations and Reporting •Security Controls •Security Test and Evaluation Process •Functional Validation Report	•Labor •Travel	Capitalized

CLIN	Title	Description	Work Products, Deliverables, and Major Reviews	Example Costs	Capitalized or Expensed?
			•System Integration Rpt •Security Certification and Accreditation Rpt •IT Contingency Plan • Contingency Testing, Training and Exercise Plan •PII / SD Report •Configuration Management and Control Plan		
CLIN 0007	Testing	Testing tracks and documents participation in systems integration testing iterations. The test plans and test scripts will be developed and documented to verify and validate the system design.	•SIT plan •System Integration Test Scripts •Regression Testing •Parallel processing	•Labor •Travel	Capitalized
CLIN 0008	Deployment	Deployment comprises all tasks completed to prepare the module for production, Go-Live, and stabilization activities. Procedures are developed in support of system transition as well as post "go-live" procedures for the end users and support staff. Interface programs are executed and validated, and volume and stress tests are performed. Also, the project works closely with the users to develop clear performance, service, and business measurements for the system, as well as expectations for metric data collection, evaluation, and reporting. Readiness reviews and operational readiness review (ORR) are conducted and documented within this deployment. Go-live includes the formal handover of the module from a preproduction environment to the support staff operating the production environment. Project team members help execute the transition plan and document lessons learned. The module is put into production. System and business performance metrics may be collected and evaluated.	•Operational Readiness Review (ORR) •Project Completion Review (PCR)	•Labor •Travel	Expensed
CLIN 0009	User Implementa-tion	User implementation focuses on the work and costs associated with the rollout of the software solution to the individual users. This includes activities conducted to aid in identifying user	•Project Plan •Risk Management Plan •Transition (Cutover) Plan • Operations Plan • Operational Readiness Review (CORR)	•Labor •Travel	Expensed

CLIN	Title	Description	Work Products, Deliverables, and Major Reviews	Example Costs	Capitalized or Expensed?
		requirements, interfaces, or data migration efforts. It also includes activities associated with actual implementation at specific locations, communication, process redesign, &data cleanup.			
CLIN0 010	Post-Implementa-tion/Opera-tional Phase	Post-implementation includes all operational testing and evaluation, as well as other functional testing conducted after technical acceptance and includes costs incurred to make customer ease of use changes.	•Application maintenance •Implementation assistance (trouble- shooting, systems analysis, producing/ printing user manuals and similar support to project customers)	•Labor •Travel	Expensed

(ii) IUS Software Acknowledgment Certification.

IUS Software Acknowedgement Certification is required to ensure all costs associated with IUS[*] activities received the proper accounting treatment. The Project Manager must include the attached CLIN structure in all IUS requests for proposals (RFP), statement of objectives (SOO), and/or performance work statements (PWS) along with the instructions for invoicing.

Table 2

Internal Use Software Acknowledgment Certification

Certification:

I certify the following information was included in the:

Document:	CLIN structure included:	If not, state reason:
RFP		
SOO		
and/or		
PWS		

Project Name:	
Project Manager:	
Phone:	
E-mail:	

Contracting Officer:	
Phone:	
E-mail:	

Project Manager Signature _____Date_____

Contracting Officer Signature_____Date_____

All originals must be filed, scanned, and available upon request.

Copies should be provided to the appropriate contracting officer, contracting officer's representative, program manager, APO, and FSA.

*Software includes the application and operating system programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system or program. "Internal use software" means software that is purchased from commercial vendors "off-the-shelf," internally developed, or contractor-developed solely to meet the entity's internal or

operational needs. Normally software is an integral part of an overall system(s) having interrelationships between software, hardware, personnel, procedures, controls, and data.

Reference: Federal Accounting Standards Advisory Board, Accounting for Internal Use Software, Number 10, June 1998; Definitions 8, 9; Page 3.

39.9002 Documentation requirements for IT procurement.

(a) The requiring activity shall provide the following documentation to the contracting office to be included in the contract file:

(1) A statement clearly describing why the IT is needed and the program/project/Automated Information System being supported by the IT procurement;

(2) A description of what is being acquired. Identify the product (including its intended purpose, if that is not clear from the name of the product), manufacturer and model number, version number, quantity, unit cost and any other attributes such as essential physical characteristics. For support services include a Statement of Work;

(3) Include the exact location and point of contact with commercial and DSN telephone numbers.

(4) A copy of the market survey for each recommended source (see FAR Part 10);

(5) A copy of the funding documentation;

(6) For sole source (e.g., only one source, specific make or model, or compatibility-limited) provide the contracting office documentation that can be used to support a justification for other than full and open competition or limited source justification (see FAR 6.3 and 8.405-6), and brand name situations (see FAR 11.105).

(7) Attach a copy of any miscellaneous information and/or supportive documentation necessary.

(b) Additional documentation and/or Business Case Analysis (BCA) shall also be prepared as part of the contract file for an acquisition as needed.

(1) Acquisitions valued below $50,000 shall be submitted in accordance with local procedures, or as appropriate for the complexity of the requirement.

(2) For acquisitions greater than or equal to $50,000 and less than $250,000 outline and compare the status quo method of business with three alternatives.

(3) For acquisitions greater than or equal to $250,000 and less than $1,000,000, in addition to the requirements of (b)(2) above, provide a detailed comparison of the expected costs, benefits, impacts and risks that would result from implementing alternative IT investments.

(4) For acquisitions greater than or equal to $1,000,000 and/or having a significant impact on DoD logistics operations, in addition to the requirements of (b)(2) and (b)(3) above, the analysis must be more in-depth. The analysis requires a study of the impact on DLA as a whole, as well as the quantitative and qualitative ramifications of the alternatives described within the investment. It considers the broad implications of the implementation of each alternative, including local and global implications, as well as immediate and future costs and savings.

(5) Refer to the DLA Issuance, Acquisition Business Case Analysis Process, for guidance on acquisition BCAs. Note explanation of exemptions provided at paragraph 3.a.

PART 42 – CONTRACT ADMINISTRATION

(Revised October 24, 2016 through PROCLTR 2016-10)

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SUBPART 42.1 – CONTRACT AUDIT SERVICES

42.101 Contract audit responsibilities.

The Contract and Pricing Compliance Division Chief is the designee to oversee contract audit follow-up in accordance with DoDI 7640.02.

SUBPART 4.2 – CONTRACT ADMINISTRATION SERVICES

42.202 Assignment of contract administration.

(a) Delegating functions.

Delegate contract administration to DCMA for contracts and orders that require—

(1) Source inspection and acceptance by DCMA (excludes drugs, biologics, Wildland Fire Protection Program, and other medical supplies when the Food and Drug Administration (FDA) is responsible for quality assurance);

(2) ACO support for cost-type, labor-hour, or time-and-material contracts;

(3)(ii) ACO support for progress payment or performance-based payment financing terms.

DLA procuring organizations shall not delegate administration to DCMA when the contract payment office is designated as SL4701, inspection and acceptance is destination, and no DCMA support is required.

When contract administration is retained by DLA and the contract includes a duty free clause, contracting officers shall use the DCMA eTool. Registration can be requested through EWAM at the following link: https://eadf.dcma.mil/ewam2/registration/setup.do.

DLA may retain administration of a basic LTC contract but require DCMA administration of specific orders on a case-by-case basis. In such instances, the contracting officer shall, prior to release of an order that requires DCMA administration, email the contract management office to advise them of the forthcoming order so they may retrieve the basic contract from EDA.

SUBPART 42.3 – CONTRACT ADMINISTRATION OFFICE FUNCTIONS

42.302 Contract administration functions.

(a) When the contracting officer retains administration functions for tailored logistics support (TLS) and long-term contracts (LTCs), administration shall follow the contract management plan (CMP). The CMP shall address resources required; responsibilities of each resource; assignment of a COR/COTR; order flow; post-award audits describing what shall be reviewed, when, and by whom; invoicing procedures; performance measurement; incidental services required as part of the contract; assignment of contract administration responsibilities for orders; subcontracting plans; options; post-award conference; domestic preference provisions; special contract administration concerns; repricing actions; pricing reviews; and contract closeout.

(a)(13)(B)(1) Contracting officers shall designate the payment office as DoD Activity Address Code (DoDAAC) SL4701 for Enterprise Business System (EBS) contracts, except for contracts with progress or performance based payments and cost type contracts, which shall be paid by MOCAS payment offices (https://pubapp.dcma.mil/CASD/main.jsp), or for contracts with the Canadian Commercial Corporation when DCMA will perform contract administration: use payment office HQ0337. DLR contracting officers shall use the applicable MOCAS payment code for the payment office specified in the Federal Directory of Contract Administration Services Components.

SUBPART 42.11 – PRODUCTION SURVEILLANCE AND REPORTING

42.1101 General.

When the contracting officer retains administration functions, the contracting officer shall monitor contractor performance to ensure compliance with terms and conditions of the contract action. When it is determined that a need date may require a shorter delivery, the material planner or the customer account specialist will follow the policies and processes for expediting delivery in Cross-Process Policy Memorandum CP-12-001, Sales Order Expedite and Customer Inquiry Policy, dated December 11, 2012 (available on eWorkplace, Logistics Operations (J3), Shared Documents, J3 Policies and Procedures, Cross Process). The contracting officer shall negotiate revised delivery with the contractor.

Prior to taking action for contract action non-compliance, the contracting officer shall coordinate with the material planner, customer account specialist, or product specialist. Coordination with the Office of Counsel is required prior to taking cancellation or termination action.

42.1104 Surveillance requirements.

(a)(iii)(D) DCMA uses the Delivery Schedule Manager (DSM) eTool to communicate potential and existing delinquencies, respond to an acceleration request, or recommend delivery extension on a contract. To access this tool and respond to any communications from DCMA and review system generated reports, contracting officers shall be registered in DCMA's External Web Access Management (EWAM) application. Registration can be requested through EWAM at the following link: https://eadf.dcma.mil/ewam2/registration/setup.do.

SUBPART 42.15 – CONTRACTOR PERFORMANCE INFORMATION

42.1503 Procedures.

(a)(1) Contracting officers are responsible for coordination with the technical office, quality assurance, DCMA counterparts, and other end users of the product or service, as necessary, to complete their assessment and input past performance information into CPARS. The DLA Acquisition Procurement Process and Systems Division will track compliance on a monthly basis and report to the DLA Acquisition Director.

(h)(3) The DLA Acquisition Procurement Process and Systems Division is the CPARS focal point. Each procuring organization shall designate a FAPIIS point of contact (POC) to input information provided by

the contracting officer into FAPIIS. FAPIIS POCs shall notify the contracting officer when the record has been submitted. The contracting officer shall document the contract file to show that the action was reported to FAPIIS. The procuring organization FAPIIS POC shall report contract terminations to the DLA Acquisition Procurement Process and System Division FAPIIS POC via email to FAPIISInbox@dla.mil and include the contract number, date and type of termination, any change, and when data was reported to FAPIIS.

PART 45 – GOVERNMENT PROPERTY

(Revised September 19, 2016 through PROCLTR 16-09)

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SUBPART 45.1 – GENERAL

45.101 Definitions.
"Property Administrator" See 1.670.
"Stock Provided to Vendor (SPTV)" is SAP terminology that identifies and tracks items or components issued to DLA Distribution or a contractor for assembly or modification to make an end-item. Examples include items or components required for kits, uniforms, MREs, and government furnished material.
"Vendor Managed Inventory (VMI)" is used to characterize various programs in which Government-owned property is managed by the contractor.

45.103 General

45.103-70 Furnishing Government Property to Contractors.
(1) The product specialist makes the determination and documents the requirement in the Material Master. The requirement will be identified on the PR.

45.105 Contractors' Property Management System Compliance.
(a) Conduct an analysis of the contractor's property management policies, procedures, practices, and systems, as frequently as conditions warrant, in accordance with DOD Instruction 4160.02, Accountability and Management of Government Contract Property, dated April 27, 2012 and the DOD Guidebook for Contract Property Administration, dated December 2014.

SUBPART 45.6 – REPORTING, REUTILIZATION, AND DISPOSAL

45.602-2 Reutilization Priorities.
(d) Dispose of the property identified in FAR Subpart 45.602-2(d) in accordance with DOD Instruction 4161.02, Accountability and Management of Government Contract Property, dated April 27, 2012, and DOD Manual 4160.21, Volume 2, Defense Materiel Disposition: Property Disposal and Reclamation, dated October 22, 2015.

PART 46 – QUALITY ASSURANCE

(Revised September 19, 2016 through PROCLTR 2016-09)

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46.000 Scope of Part.
DLR quality requirements will be provided by the Military Departments. The Military Departments are responsible for item deficiency reporting and tracking for DLR supplies. Any associated provisions and clauses shall follow the Military Departments procedures for DLR supplies**.**

SUBPART 46.1 – GENERAL

46.103 Contracting office responsibilities.
(a) Requirements are provided on the purchase request in EBS.

46.105 Contractor responsibilities.
(b) The contractor is required to maintain calibrated measuring and test equipment used for test and verification of products offered. The product specialist shall insert the TQ STO RT001 Measuring and Test Equipment in the PID.

SUBPART 46.2 – CONTRACT QUALITY REQUIREMENTS

46.202 Types of contract quality requirements.

46.202-4 Higher-level contract quality requirements.
(a) The product specialist determines when higher-level contract quality requirements are required based on a review of the technical data package, ESA requirement, criticality and complexity of the item, or history of quality deficiencies. The product specialist will enter the higher-level contract quality

requirement into the Document Management System, if applicable. The higher-level contract quality requirement will be incorporated into the PID in solicitations and contract awards from the Material Master. The higher-level contract quality requirement will be pre-populated in the fill-in for FAR clause 52.246-11.

46.290 Certificate of quality compliance (COQC).

A COQC is a critical safety item (CSI) quality assurance requirement in the form of a Contract Data Requirements List (CDRL) (DD Form 1423-1) deliverable to provide objective quality evidence for materials submitted by the supplier. The DLA Logistics Operations Technical Programs and Quality Assurance Division maintains the CDRL in the Document Management System, and it is referenced in the Material Master. The CDRL is incorporated into the PID in solicitations and contract awards from the Material Master.

46.291 Production lot testing.

The purpose of production lot testing (PLT) is to validate quality conformance of products prior to lot acceptance. The requirement for PLT can be either at a contractor or Government facility as specified in the Product Master. The product specialist shall review the ESA testing requirements for completeness, accuracy, and applicability; and coordinate any changes with the ESA. The product specialist shall place the testing requirements into the Material Master. PLT is required in all solicitations and contracts when indicated in the Product Master. PLT can be conducted by the contractor or the Government.

(a) PLT conducted by contractor. The contractor is responsible to produce the production lot(s) and conduct the test. The PLT shall be separately priced with a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.

Solicitations and awards shall include procurement note E03 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

*****

E03 Production Lot Testing – Contractor (SEP 2016)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR of the time and location of the test at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the production lot test, so the Government may witness the test.

(3) The QAR will select [*contracting officer shall insert number of samples identified in Product Master*] samples at random from the production lot(s) produced.

(4) The contractor shall perform all tests on the PLT samples to verify/validate for the QAR that the items meet the contract technical/quality requirements.

(5) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall notify the contracting officer and propose corrective action, if appropriate.

(6) Prepare and disseminate the PLT report as follows:

(a) Prepare the test report in accordance with data item description DI-NDTI-80809B, and mark the test report, “Production Lot Test Report, Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*].”

(b) Present the contractor’s PLT report to the QAR for review.

(c) Include the following documentation with all shipments of PLT Reports: DD Form 1222 and DD Form 250/iRAPT Receiving Report signed by the QAR; a copy of the contract/order; a copy of all applicable test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample, with proper marking to restrict public disclosure (if desired) and from Government use other than for evaluation to the extent consistent with the Government's data rights under the contract, and documents required under a contract deliverables requirements list, if applicable.

(d) Submit all required documentation to the Government activity specified in the contract in time to allow for at least [*contracting officer shall insert number of days as shown in Product Master*] calendar day period for review of the PLT report, and for the contracting officer to provide written notification of approval/disapproval to the contractor.

*****

(b) PLT conducted by the Government. The contractor is responsible to produce the production lot(s), and the Government is responsible to conduct the test. The PLT shall be separately priced with a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The Government shall return any useable samples to the contractor upon completion of testing for delivery with the production quantity of the same lot. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.

Solicitations and awards shall include the procurement note E04 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

*****

E04 Production Lot Testing – Government (SEP 2016)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot to the QAR for selection of PLT samples.

(3) The QAR will select [*contracting officer shall insert the number of samples identified in the Product Master*] samples, at random from the production lot(s) produced.

(4) The contractor shall ship the PLT samples to [*contracting officer shall insert name and location of testing facility as identified in Product Master*] by traceable means. Shipment shall be marked "Production lot samples – do not post to stock," contract and lot number. A copy of the DD250/iRAPT Receiving Report shall be placed on the exterior of the shipping container in accordance with MIL-STD-129. Include the following interior documentation: DD Form 1222 and DD250/iRAPT Receiving Report signed by the QAR; copy of contract/order; copies of test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor's responsibility); documents required under contract deliverables requirements list; and a prepaid shipping label or document with the information required to return the PLT samples to the contractor at no cost to the Government.

(5) At time of shipment, copies of the signed DD Form 1222, DD250/iRAPT Receiving Report, transportation tracking information, and information for return of the PLT samples shall be provided to

the contracting officer. The Government testing time will be [*contracting officer insert number of days for test, as shown in the Product Master*] calendar days for the test results to be provided to the contractor.

(6) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall propose corrective action, if appropriate.

(7) PLT samples will be returned to the contractor, with a copy of the test report, at contractor expense.
*****

46.292 Product verification testing.

The product specialist will issue a quality assurance letter of instruction (QALI) to DCMA when quality concerns relating to the item or the supplier are identified. A copy of the QALI is provided to the contracting officer for inclusion in Records Management. The QALI invokes the product verification testing (PVT) requirement. DCMA will notify the contractor and initiate the testing process. When PVT is invoked, contracting officers use the authority under FAR 52.246-2, Inspection of Supplies-Fixed-Price. All solicitations and awards shall include procurement note E05.
*****

E05 Product Verification Testing (SEP 2016)

(1) When PVT is invoked, the QAR will notify the contractor that testing will be performed. The product verification testing (PVT) will be performed at a Government-designated testing laboratory.

(a) The contractor shall not ship or deliver any material unless directed to do so in writing by the contracting officer or until notified of acceptable PVT results.

(b) PVT results will be provided in 20 working days after receipt at the Government testing facility.

(2) The QAR will select a random sample from the contractor's production lot. Selected PVT samples are to be shipped by the contractor at Government expense with a copy of the Department of Defense DD Form 250 and a DD Form 1222. The packaging will be marked "Product Verification Test Samples, Contract number _____, lot/item number_____."

(3) Test results will indicate one of the following:

(a) Samples that pass testing and are not destroyed during evaluation will be returned to the contractor at the Government's expense and will be included as part of the total contract quantity. The contractor and Government may agree to dispose of samples not destroyed when the cost of the item does not justify the shipping expense. These samples will be considered part of the contract quantity. Samples that pass testing and are not returned to the contractor will be considered part of the contract quantity for payment and delivery. The contractor will deliver the remaining lot quantity minus sample units.

(b) If samples fail testing, such failure will result in rejection of the entire contract lot from which the samples were taken. At the Government's discretion, parts failing any test criteria may be retained and not be returned to the contractor.
*****

SUBPART 46.4 – GOVERNMENT CONTRACT QUALITY ASSURANCE

46.401 General.

(a) Product specialists determine inspection and acceptance based on the criticality and dollar threshold of the item. Solicitations shall require inspection and acceptance as stated in the Material Master.

46.402 Government contract quality assurance at source.

In conjunction with the DFARS, circumstances that may preclude destination inspection and acceptance are critical safety items (CSIs), complex assemblies, items requiring first article testing (FAT), hazardous material (HAZMAT), items acquired for foreign military sales (FMS), bulk fuel deliveries, or when the offeror has significant quality issues (e.g., Product Quality Deficiency Reports (PQDRs)). The product

specialist will provide a quality assurance letter of instruction (QALI) to the Defense Contract Management Agency (DCMA) contract administration office when a contractor has previous quality issues.

Solicitations and contracts that require source inspection shall include procurement note E06.

*****

E06 Inspection and Acceptance at Origin (SEP 2016)

The contractor shall indicate the location where supplies will be inspected:

Commercial and Government Entity (CAGE) code:_____

Address:_____

Applicable to contract line-item numbers(s) (CLIN(s)):_____

The contractor shall indicate the location where packaging will be inspected:

( ) Same as for supplies OR

CAGE code: _____

Address: _____

Applicable to CLIN(s): _____

*****

46.407 Nonconforming supplies or services.

(b) DLA Distribution Center may correct a nonconformance with packaging or labeling requirements if the costs of repackaging are estimated to be $300 or less ($500 for C&T items). See hyperlink at https://hqc.dla.mil/issuances/Documents/4145.4 for DLAI 4145.4. An informational SDR will be submitted to the packaging specialist for disposition instructions back to the contracting officer. The contractor will be advised of the packaging discrepancy and that the repackaging will be completed by the Government. The contracting officer shall request reimbursement from the contractor of the costs incurred by the Government to correct the deficiencies.

If the costs of repackaging and/or relabeling of the item costs more than $300 ($500 for C&T), a SDR will be submitted to the product specialist/packaging specialist for packaging review, authorization, and disposition instructions back to the contracting officer. Contracting officers shall advise the contractor of discrepancies and the option to have the material returned to them for correction/resubmittal or have the Government remediate the discrepancy. If the Government corrects the packaging/labeling discrepancies, the contracting officer shall request reimbursement of the associated costs.

(c) Supplies that are considered to be hazardous, as defined in FED-STD-313, that were damaged in transit, or that are nonconforming to the preservation, packaging, packing and marking, shall be remedied by the contractor. The product specialist shall contact the contracting officer to have the contractor correct the damage or nonconforming packaging and, if appropriate, recoup the costs associated with the removal of hazardous material spills or leakage.

46.490 Oversight of DoD supply chain integrity.

Quality Notifications (QNs) for product quality deficiency reports (PQDRs), supply discrepancy reports (SDRs), Government Industry Data Exchange Program (GIDEP) documents, or testing requirements will be processed to the contracting officer in workflow. The QN coordinator may require the contracting officer to suspend the open procurement action(s) pending investigation and/or will require return of the material to the contractor.

QNs relating to suspect material shall be retained in the QN coordinator workflow for processing. If contracting officer support is required, a task will be submitted to them.

Any concern of suspect material entering the supply chain shall be referred to the Counterfeit Material/Unauthorized Product Substitution (CM/UPS) team.

SUBPART 46.5 – ACCEPTANCE

46.501 General.

46.501-90 Acceptance of internal use software (IUS).
The contracting officer representative (COR) shall ensure an invoice for IUS performance and deliverables is in accordance with the IUS number structure and procedures specified in the DLA Information Operations IUS SOP. The contracting officer shall verify the COR successfully performs this task.

46.503 Place of acceptance.
Acceptance at destination is preferred to prevent negative payables.

46.504 Certificate of conformance.
The contracting officer shall coordinate use of the CoC with the product specialist.

PART 47 – TRANSPORTATION

(Revised October 21, 2015 through PROCLTR 2015-12)

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SUBPART 47.3 – TRANSPORTATION IN SUPPLY CONTRACTS

(Revised September 19, 2016 through PROCLTR 2016-09)

47.303-90 Standard delivery terms and contract clauses.

(i) Wood products requiring export shipment.

Use provision 52.247-9054 in solicitations over the SAT that include FAR 52.247-51 for wood products which require export shipment.

47.303-91 DLR Item Compliance.

Transportation requirements supporting DLR items shall be included in any solicitation and contractual action as required by the specific Service requirements. Requirements including (but not limited to) packaging, packing, marking, shipment/delivery locations, F.O.B. requirements, shipment / delivery variations, payment for shipment, and any associated contract clauses shall be in accordance with the Service DLR specification. If appropriate, DLAD requirements may also be specified as applicable to DLR items.

47.305 Solicitation provisions, contract clauses, and transportation factors.

47.305-3 F.o.b. origin solicitations.

(b)(4)(ii) DEVIATION. DLA Energy is authorized to use provisions 5452.247-9F12 and 5452.247-9F13 in lieu of FAR provision 52.247-46 when purchasing crude oil for the strategic petroleum reserve (SPR) program.

(91) Solicitation provision for port handling and ocean costs in bid evaluation. Port handling and ocean charges available at time of issuance of solicitation shall be published in solicitations for the acquisition of supplies for overseas shipment. The provision set forth at 52.247-9001, advising that these charges are tentative and not necessarily those that will be used in the evaluation, shall also be included in the solicitation, just below any charges published. This provision will preclude the need for extension of opening dates or cancellation of solicitations and will still permit award to that offeror who is, in fact, low at time of bid opening as a result of any change in charges after issuance of the solicitation.

(93) The contracting officer may use provision 52.247-9027 in solicitations for indefinite delivery contracts when separate prices are solicited for different quantity increments. F.o.b. origin offers will be evaluated based on the estimated shipping weight and cube if 52.247-9027 (c)(1)(i)(d) is checked.

Weighted values reflect the Government's estimate of relative frequency of future orders within each quantity increment.

47.305-3-97 First Destination Transportation (FDT) Program – Shipments Originating From Outside the Contiguous United States (OCONUS).
Insert clause 52.247-9058 in solicitations and awards for supplies when the item description in the solicitation states that the FDT Program applies (see 11.201(c)(S-90)(2)).

47.305-3-98 F.o.b. Origin, Government-Arranged Transportation
Use 52.247-9059 in solicitations and awards that contain First Destination Transportation (FDT) requirements. This clause defines the contractor's responsibilities and requirements for Government-arranged transportation as specificed within the FDT Program.

47.305-7(b)(90) Quantity analysis, direct delivery, and reduction of crosshauling and ackhauling.
15.304(c)(S-92) contains a requirement to include a transportation evaluation factor in integrated logistics management arrangements where proposals are likely to include contractor arranged transportation outside the continental United States.

47.305-8-90 Vendor shipment module.
(a) General Information.

(1) The Defense Logistics Agency's (DLA's) vendor shipment module (VSM), formerly known as the distribution planning and management system, is a distribution and transportation system that enhances DLA's ability to plan and manage distribution. It is an information technology (IT) system that provides in-transit visibility (ITV), current shipping addresses, and may reduce transportation costs. For shipments of materiel that DLA buys from suppliers, VSM provides ITV to consignees, consolidation and containerization points (CCPs), air and water ports, and various Government supply and transportation information systems.

(2) VSM has the capability to organically arrange vendor shipments with Government managed carriers under integrated IT functionality. Use of VSM by vendors reduces frustrated freight at the CCPs, and air and water ports; and minimizes delays in vendors obtaining shipping instructions. VSM automatically prepares shipping labels in accordance with military standard (MIL-STD) 129P, Bills of Lading, Packing Lists and other shipping documentation that the supplier can download and print.

(b) Policy.

(1) VSM is of primary benefit in the following situations:

(i) DLA administered contracts where the ultimate destination is a location outside of the United States, e.g., OCONUS Customer Direct (CD) or Defense depots located overseas. For these shipments, the vendors can obtain shipping instructions and shipping labels through VSM without having to contact the DLA transportation office.

(ii) CONUS CD shipments: Although the vendor may not need shipping instructions, the vendor can obtain the required shipping labels via VSM.

(iii) Long term contracts which include CD support: Because of the benefits of VSM for CD shipments, especially OCONUS, contracting officers can consider either requiring or encouring VSM use by the vendor.

(iv) For f.o.b. origin contracts administered by DLA, VSM will make the transportation arrangements using Government rates and carriers. In these circumstances do not use clauses which require the vendors to pre pay and add transportation charges (e.g., FAR 52.247-65). Do not populate the

"Transportation Allowed" field in the "Financial Data" Tray at the header level with code "T." Otherwise, invoices for transportation changes will be paid by DFAS.

(v) For contracts administered by DCMA, vendors must still contact the DCMA transportation office in lieu of using VSM. On a case-by-case basis, there may be circumstances where DCMA will permit use of VSM on DCMA administered contracts. Obtain agreement from DCMA prior to award when allowing a vendor to use VSM on a DCMA administered contract. Although the VSM shipping label is not mandated for DLA direct shipments, a shipping label is still required. Vendors now have the option of using VSM to generate the military shipping label.

(c) Prescription for clause 52.247-9011 Vendor Shipment Module (VSM).

(1) The purpose of the clause is to encourage use of VSM by vendors as described in paragraphs (a) and (b) of this section; the clause does not make VSM mandatory except when FDT is specified in the solicitation or award. VSM shall be used for all FDT solicitations and awards. The clause shall be inserted in solicitations and contracts as a normal practice, unless the contracting officer knows in advance that VSM is not suitable for a particular acquisition.

(2) In addition, the clause should not be used in the following circumstances:

(i) DCMA administered (except as authorized on a case-by-case basis);

(ii) Pharmaceuticals;

(iii) Medical – Customer pick-up only;

(iv) Arms, ammunition & explosives (AA&E);

(v) Controlled substances and syringes;

(vi) Tailored vendor relationships (TVR);

(vii) Contracts for service, except shipments of Government furnished equipment (GFE)/ Government furnished material (GFM); and

(viii) First Destination Transportation (FDT) program buys.

(3) Transportation office notification/requirement. Contracts that are administered under the above-mentioned exceptions at (c)(2)(i) thru (viii) may contain the statement: "Contact the transportation office at the administration office specified in block 7."

(i) For non-FDT DLA administered contracts, vendors must contact the supply chain transportation office helpdesk at (800) 456-5507.

(ii) For non-FDT contracts administered by DCMA, vendors must contact the DCMA transportation office listed on the award document in lieu of using VSM.

(iii) For all FDT contracts, vendors must register in VSM for transportation information.

47.305-10-90 Packing, marking, and consignment instructions – solicitation provisions and contract clauses.

(d) Shipping instructions - export.

(1) Except for acquisitions conducted under the First Destination Transportation (FDT) Program (see 47.303-90(d)(2)), use 52.247-9036 in shipments to overseas customers including shipments direct to APO/FPO addresses, shipments to Alaska, Hawaii, and Puerto Rico, and shipments routed through the Container Consolidation Points (CCPs) at San Joaquin, California (W62N2A) and New Cumberland, Pennsylvania (W25N14).

(2) For acquisitions conducted under the First Destination Transportation (FDT) Program, as prescribed at 47.305-3(97), use 52.247-9058 instead of 52.247-9036.

(e) Trans-shipment of material through DLA containerization and consolidation points. Use 52.247-9037 when supplies are to be shipped via surface freight, CCP appears in the shipping address, or any time the requisition or TCN begins with "A," "C," or "W" for Army, "N," "Q," or "R" for Navy, "E" or "F" for Air Force and the customer is outside the continental United States (OCONUS which is outside

the 48 contiguous states). The clause shall be used in all long term contracts supporting OCONUS customers. Use FAR 52.247-52 (Sec F) with this clause.

PART 50 – EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

(Revised October 24, 2016 through PROCLTR 2016-10)

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SUBPART 50.1 – EXTRAORDINARY CONTRACTUAL ACTIONS

50.101 General.

50.101-3 Records.
Records shall be maintained by the contracting officer in Records Management.

50.103 Contract adjustments.

50.103-5 Processing cases.
(S-90) The procuring organization responsible for processing a contractor's request is responsible for processing cases in accordance with DFARS PGI 250.103-5 and, following legal review by Office of Counsel, will send the case with recommendation for disposition through the HCA to the DLA Acquisition Operations Division for processing to the Agency Director for decision. The procuring organization is also responsible for establishing liaison and joint action with other Military Departments and other departments and agencies of the Government, as appropriate.

50.103-6 Disposition.
In accordance with DFARS 250.103-6, the DLA Acquisition Operations Division will maintain records of disposition in accordance with DFARS PGI 250.103-6.

PART 51 – USE OF GOVERNMENT SOURCES BY CONTRACTORS

(Revised October 24, 2016 through PROCLTR 2016-10)

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SUBPART 51.1 – CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES

51.100 Scope of subpart.

Government sources of supply include items in DLA inventories and on existing DLA contracts. For DLA-managed items, this includes items coded AAC D (centrally-managed, stocked, and issued); H (customer direct delivery, non-stocked items); and Z (numeric stockage objective (NSO) items).

51.101 Policy.

(a)(4) Deviation 2016-01 is a class deviation that permits contracting officers to authorize contractors access to DLA-managed items under other than cost-reimbursement contracts. The deviation will remain in effect until February 4, 2017. This deviation shall not apply to commodities where contractor access to discounted or favorable pricing is prohibited by law, such as pharmaceuticals.

51.102 Authorization to use Government supply sources.

(e)(4) Contractor access to DLA sources of supply is limited to DLA-managed national stock numbered (NSN) or part numbered (P/N) items provided to DoD customers specifically authorized under a DLA contract that will use a DLA supply source. The contract should specify any ceiling quantities that may apply to an item. The rationale supporting the decision to authorize use of a DLA source of supply will be coordinated with the managing contracting activity, documented in writing for each NSN or P/N, signed by the contracting officer authorizing use of the DLA supply source, approved by the CCO, and included in the contract file.

51.102-90 Special requirements.

(a) To demonstrate the benefits of permitting contractor access to Government sources of supply, the price of each item obtained from a Government source of supply should be the Government price charged to the contractor plus a handling fee determined fair and reasonable by the contracting officer.

(b) The items the contractor orders must be reconciled against the items authorized in the contract. Periodic reconciliation of the quantities that DLA sold to the contractor with the quantities of the same items that the contractor supplied to DoD customers, or holds under surge responsibilities, under the authorizing contract will provide the visibility needed to monitor contractor's usage and trigger appropriate action for improper use.

(c) The contract shall include language requiring the contractor to verify that, as the contract nears completion, no purchases are made that would result in Government supply source items remaining with the contractor after contract completion. Special provisions must be made for surge items.

51.103-90 Ordering from Government supply sources.

When contractor use of a DLA-managed supply source is determined to be the best value, considering price, delivery and other factors, the contracting officer shall include contract language to hold the contractor responsible to meet the delivery requirements whether or not Government supply sources are used. Failure to meet the contract delivery requirements is a contractor-caused delay.

PART 52 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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52.217-9002	Conditions for Evaluation and Acceptance of Offers for Part Numbered Items.
52.217-9003	Manufacturing or Production Information.
52.217-9006	Surge and Sustainment (S&S) Investments.
52.217-9007	Surge and Sustainment (S&S) Instructions to Offerors.
52.217-9008	Surge and Sustainment (S&S) Evaluation.
52.217-9009	Surge and Sustainment (S&S) Pricing.
52.217-9010	Limitations on Use of Surge and Sustainment (S&S) Government Investment.
52.217-9011	Provisioning.
52.217-9012	Warstopper Program Material Buffer Availability.
52.217-9017	Tailored Logistics Support Purchasing Reviews.
52.217-9018	Supply Assurance Through Multisource Contracting.
52.217-9020	Corporate Contract Fill Rate and Unfilled Orders.
52.217-9023	Restriction of Alternate Offers for Source Controlled Items.
52.219-9004	Small Business Program Representations.
52.219-9008	Combined Historically Underutilized Business Zone (HUBZone)/ Small Business Set-Aside Instructions – Type 1.
52.219-9009	Combined HUBZone/Small Business Set-Aside Instructions – Type 2.
52.219-9013	Combined Set-Aside Instructions – Type 1.
52.219-9014	Combined Set-Aside Instructions – Type 2.
52.219-9015	Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 1.
52.219-9016	Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 2.
52.232-9006	Transporter Proof of Delivery (TPD).
52.233-9000	Agency Protests.
52.233-9001	Disputes: Agreement to Use Alternate Disputes Resolution (ADR).
52.237-9003	Site Visit Coordinator.
52.247-9001	Port Handling and Ocean Costs in Bid Evaluation.
52.247-9011	Vendor Shipment Module (VSM).
52.247-9036	Shipping Instructions (Export).
52.247-9037	Trans-shipment of Material through DLA Containerization and Consolidation Points (CCP).

52.247-9054 Computation of Cube – Wood Products.
52.247-9058 First Destination Transportation (FDT) Program – Shipments Originating Outside the Contiguous United States (OCONUS).
52.247-9059 F.o.b. Origin, Government-Arranged Transportation.

SUBPART 52.1 – INSTRUCTIONS FOR USING PROVISIONS AND CLAUSES

52.101 Using Part 52.

(b) Numbering.

(2) Provisions or clauses that supplement Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS).

(ii) Only those provisions and clauses in this directive that are codified are preceded by an assigned CFR chapter number.

(B) See 1.301-91(c).

SUBPART 52.2 – TEXTS OF PROVISIONS AND CLAUSES

(Revised October 24, 2016 through PROCLTR 2016-10)

52.200 Scope of subpart.

This subpart sets forth the texts of all Defense Logistics Acquisition Directive (DLAD) provisions and clauses, and for each provision and clause, gives a cross-reference to the location in the DLAD that prescribes its use.

52.204-9000 Contractor Personnel Security Requirements.

As prescribed in 4.1303-90, insert the following clause:

CONTRACTOR PERSONNEL SECURITY REQUIREMENTS (JUL 2015)

(a) Work to be performed under this contract or task order may, in full or in part, be performed at the Defense Logistics Agency (DLA) Headquarters (HQ), DLA field activity office(s), or other Federally-controlled facilities. Prior to beginning work on a contract, DLA requires all Contractor personnel working on the Federally-controlled facility to have, at a minimum, an initiated National Agency Check with Written Inquiries (NACI) or NACI equivalent and favorable completion of a Federal Bureau of Investigation (FBI) fingerprint check.

(b) Additionally, in accordance with Department of Defense (DoD) Regulation 5200.2-R, Personnel Security Programs, and DLA Issuance 4314, Personnel Security Program, all DoD Contractor personnel who have access to Federally-controlled information systems must be assigned to positions which are designated at one of three information technology (IT) levels, each requiring a certain level of investigation and clearance, as follows:

(1) IT-I for an IT position requiring a single scope background investigation (SSBI) or SSBI equivalent;

(2) IT-II for an IT position requiring a National Agency check with Law and Credit (NACLC) or NACLC equivalent; and

(3) IT-III for an IT position requiring a NACI or equivalent.

Note: IT levels will be designated according to the criteria in DoD 5200.2-R.

(c) Previously completed security investigations may be accepted by the Government in lieu of new investigations if determined by the DLA Intelligence Personnel Security Office to be essentially

equivalent in scope to the contract requirements. The length of time elapsed since the previous investigation will also be considered in determining whether a new investigation is warranted. To assist the Government in making this determination, the Contractor must provide the following information to the respective DLA Intelligence Personnel Security Office immediately upon receipt of the contract. This information must be provided for each Contractor employee who will perform work on a Federally-controlled facility and/or will require access to Federally-controlled information systems:

(1) Full name, with middle name, as applicable, with social security number;

(2) Citizenship status with date and place of birth;

(3) Proof of the individual's favorably adjudicated background investigation or NACI, consisting of identification of the type of investigation performed, date of the favorable adjudication, name of the agency that made the favorable adjudication, and name of the agency that performed the investigation;

(4) Company name, address, phone and fax numbers with email address;

(5) Location of on-site workstation or phone number if off-site (if known by the time of award); and

(6) Delivery order or contract number and expiration date; and name of the Contracting Officer.

(d) The Contracting Officer will ensure that the Contractor is notified as soon as a determination is made by the assigned or cognizant DLA Intelligence Personnel Security Office regarding acceptance of the previous investigation and clearance level.

(1) If a new investigation is deemed necessary, the Contractor and Contracting Officer will be notified by the respective DLA Personnel Security Office after appropriate checks in DoD databases have been made.

(2) If the Contractor employee requires access to classified information and currently does not have the appropriate clearance level and/or an active security clearance, the DLA Intelligence Personnel Security Office will relay this information to the Contractor and Contracting Officer for further action. Investigations for Contractor employees requiring access to classified information must be initiated by the Contractor Facility Security Officer (FSO).

(3) The Contracting Officer will ensure that the respective DLA Intelligence Personnel Security Office initiates investigations for Contractor employees not requiring access to classified information (i.e., IT or unescorted entry).

(4) It is the Contractor's responsibility to ensure that adequate information is provided and that each Contractor employee completes the appropriate paperwork, as required either by the Contracting Officer or the DLA Intelligence Personnel Security Office, in order to begin the investigation process for the required clearance level.

(e) The Contractor is responsible for ensuring that each Contractor employee assigned to the position has the appropriate security clearance level.

(f) The Contractor shall submit each request for IT access and investigation through the Contracting Officer to the assigned or cognizant DLA Intelligence Personnel Security Office. Requests shall include the following information and/or documentation:

(1) Standard Form (SF) 85, Questionnaire for Non-Sensitive Positions, or the SF 86, Questionnaire for National Security Positions (see note below);

(2) Proof of citizenship (i.e., an original or a certified copy of a birth certificate, passport, or naturalization certificate); and

(3) Form FD-258, Fingerprint Card (however, fingerprinting can be performed by the cognizant DLA Intelligence Personnel Security Office).

(Note to (f)(1) above: An investigation request is facilitated through use of the SF 85 or the SF 86. These forms with instructions as well as the Optional Form (OF) 306, Declaration for Federal Employment, which is required with submission of the SF85 or SF 86, are available at the Office of Personnel Management's (OPM) system called Electronic –Questionnaires for Investigations Processing (e-QIP). Hard copies of the SF85 and SF86 are available at OPM's web-site, www.opm.gov, but hard copies of the forms are not accepted.)

(g) Required documentation, listed above in paragraphs (f) (1) through (3), must be provided by the Contractor as directed by the Contracting Officer to the cognizant DLA Intelligence Personnel Security Office at the time of fingerprinting or prior to the DLA Intelligence Personnel Security Office releasing the investigation to OPM.

(h) Upon completion of the NACI, NACLC, SSBI, or other sufficient, appropriate investigation, the results of the investigation will be forwarded by OPM to the appropriate adjudication facility for eligibility determination or the DLA Intelligence Personnel Security Office for review and determination regarding the applicant's suitability to occupy an unescorted entry position in performance of the DLA contract. Contractor personnel shall not commence work on this effort until the investigation has been favorably adjudicated or the Contractor employee has been waived into the position pending completion of adjudication. The DLA Intelligence Personnel Security Office will ensure that results of investigations will be sent by OPM t to the Department of Defense, Consolidated Adjudications Facility (DoD CAF) or DLA Intelligence Personnel Security Office.

(i) A waiver for IT level positions to allow assignment of an individual Contractor employee to commence work prior to completion of the investigation may be granted in emergency situations when it is determined that a delay would be harmful to national security. A request for waiver will be considered only after the Government is in receipt of the individual Contractor employee's completed forms, the background investigation has been initiated and favorable FBI fingerprint check has been conducted. The request for a waiver must be approved by the Commander/Director or Deputy Commander/Director of the site. The cognizant DLA Intelligence Personnel Security Office reserves the right to determine whether a waiver request will be forwarded for processing. The individual Contractor employee for which the waiver is being requested may not be assigned to a position, that is, physically work at the Federally-controlled facility and/or be granted access to Federally-controlled information systems, until the waiver has been approved.

(j) The requirements of this clause apply to the prime Contractor and any subcontractors the prime Contractor may employ during the course of this contract, as well as any temporary employees that may be hired by the Contractor. The Government retains the right to request removal of Contractor personnel, regardless of prior clearance or adjudication status whose actions, while assigned to this contract, who are determined by the Contracting Officer to conflict with the interests of the Government. If such removal occurs, the Contractor shall assign qualified personnel, with the required investigation, to any vacancy.

(k) All Contractor personnel who are granted access to Government and/or Federally-controlled information systems shall observe all local automated information system (AIS) security policies and procedures. Violations of local AIS security policy, such as password sharing, performing personal work, file access violations, or browsing files outside the scope of the contract, will result in removal of the Contractor employee from Government property and referral to the Contractor for appropriate disciplinary action. Actions taken by the Contractor in response to a violation will be evaluated and will be reflected in the Contractor's performance assessment for use in making future source selection decisions. In addition, based on the nature and extent of any violations of AIS security policy, the Government will consider whether it needs to pursue any other actions under the contract such as a possible termination.

(l) The Contractor may also be required to obtain a Common Access Card (CAC) or Installation Access Badge for each Contractor employee in accordance with procedures established by DLA. When a CAC is required, the Contracting Officer will ensure that the Contractor follows the requirements of Homeland Security Presidential Directive 12 and any other CAC-related requirements in the contract. The Contractor shall provide, on a monthly basis, a listing of all personnel working under the contract that have CACs.

(m) Contractor personnel must additionally receive operations security (OPSEC) and information security (INFOSEC) awareness training. The DLA annual OPSEC refresher training and DLA annual INFOSEC training will satisfy these requirements and are available through the DLA Intelligence Office.

(n) When a Contractor employee who has been granted a clearance is removed from the contract, the Contractor shall provide an appropriately trained substitute who has met or will meet the investigative requirements of this clause. The substitute may not begin work on the contract without written documentation, signed by the Contracting Officer, stating that the new Contractor employee has met one of the criteria set forth in paragraphs (c), (d), or (i) of this clause, (i.e., acceptance of a previously completed security investigation, satisfactory completion of a new investigation, or a waiver allowing work to begin pending completion of an investigation). Contractor individual employees removed from this contract as a result of a violation of local AIS security policy are removed for the duration of the contract.

(o) The following shall be completed for every employee of the Government Contractor working on this contract upon contract expiration. Additionally, the Contractor shall notify the contracting officer immediately in writing whenever a Contractor employee working on this contract resigns, is reassigned, is terminated or no longer requires admittance to the Federally-controlled facility or access to Federally-controlled information systems. When the Contractor employee departs, the Contractor will relay departure information to the cognizant DLA Intelligence Personnel Security Office and the Trusted Agent (TA) that entered the individual into the Trusted Associated Sponsorship System (TASS), so appropriate

databases can be updated. The Contractor will ensure each departed employee has completed the DLA J6 Out-Processing Checklist, when applicable, for the necessary security briefing, has returned any Government-furnished equipment, returned the DoD CAC and DLA (or equivalent Installation) badge, returned any DoD or DLA vehicle decal, and requested deletion of local area network account with a prepared Department of Defense (DD) Form 2875. The Contractor will be responsible for any costs involved for failure to complete the out-processing, including recovery of Government property and investigation involved.

(p) These Contractor security requirements do not excuse the Contractor from meeting the delivery schedule/performance requirements set forth in the contract, or waive the delivery schedule/performance requirements in any way. The Contractor shall meet the required delivery schedule/performance requirements unless the contracting officer grants a waiver or extension.

(q) The Contractor shall not bill for personnel, who are not working on the contract while that Contractor employee's clearance investigation is pending.

(End of Clause)

52.208-9001 Acquisition of Federal Prison Industries, Incorporated (FPI) items.
As prescribed in 8.604(c)(90)(i), insert the following provision:

ACQUISITION OF FEDERAL PRISON INDUSTRIES INCORPORATED (FPI) ITEMS (NOV 2011)

(a) For items listed on the FPI schedule of products made in federal penal and correctional institutions, issuance of this solicitation will constitute market research. Price, quality, and delivery will be evaluated both as part of the Contracting Officer's award decision and as the comparability determination required by Defense Federal Acquisition Regulation Supplement (DFARS) 208.602.

(b) The award evaluation and comparability determination will be conducted using the award criteria contained in this solicitation. FPI will receive an order to fulfill this requirement if its offer is comparable to those from private-sector sources. By signing an award resulting from this solicitation, the Contracting Officer signifies that a comparability determination has been made.

(End of Provision)

52.212-9001 Application of Fast Payment to Part 12 Acquisitions.
As prescribed in 12.301(b)(3)(90), insert the following clause:

APPLICATION OF FAST PAYMENT TO PART 12 ACQUISITIONS (NOV 2011)

This acquisition is being conducted using Federal Acquisition Regulation (FAR) Part 12, Acquisition of Commercial Items. FAR 52.213-1, Fast Payment, applies. The terms and conditions in 52.213-1 take precedence over paragraphs (a), (j), (n), (o) and (p) of the clause at FAR 52.212-4.

(End of Clause)

52.213-9001 Evaluation Factor for Source Inspection.
As prescribed in 13.106-90(a) and 15.304(c)(S-93), insert the following provision:

EVALUATION FACTOR FOR SOURCE INSPECTION (NOV 2011)

This solicitation contemplates an award based on destination inspection. However, source inspection will be required for those quoters/offerors to whom formal notification thereof has been issued prior to the

closing date for receipt of offers under this solicitation. An evaluation factor of $250 will be added to the quoted/offered price for each source inspection required, for purposes of determining the most advantageous offer received, price and other factors considered. Quotes/ offers contingent on source inspection/acceptance and/or free on board (f.o.b.) origin may be considered technically unacceptable; if the quote/offer is evaluated, the $250 evaluation factor will be applied for each source inspection required. Nothing in this provision affects the right of the Government to perform or waive source inspection on any resultant order/contract. If phased deliveries are required or offered, each phase of delivery will be presumed to result in one inspection.

(End of Provision)

Alternate I. Evaluation Factor for Source Inspection. As prescribed in 13.106-90(a) insert the following provision.

EVALUATION FACTOR FOR SOURCE INSPECTION ALTERNATE I (NOV 2011)

(a) If the quote or offer is evaluated in accordance with Defense Logistics Acquisition Directive (DLAD) provision 52.213-9001, in Section M, an evaluation factor will be added to the offeror's quoted price for each source inspection.

(b) This solicitation is intended to result in the award of a contract under which multiple orders may be placed. For evaluation purposes, it is anticipated that delivery orders will be issued. The evaluation factor will be applied based on a presumption that each order issued under this contract will result in a source inspection.

(End of Provision)

52.213-9008 Automated Contract Evaluation System.
As prescribed in 13.106-2(b)(S-90)(i), insert the following provision:

AUTOMATED CONTRACT EVALUATION SYSTEM (SEP 2016)

(a) Automated contract evaluation: Acquisitions are candidates for automated award under automated contract evaluation systems when the solicitation states that automated contract evaluation systems apply. The program uses price logic and other automated filters to make fully-automated and contracting officer -assisted automated awards valued at the simplified acquisition threshold or less. A purchase order with a "V" in the ninth position denotes an order issued under an automated contract evaluation system, which only considers "qualified quotes" for award. Qualified quotes are in exact compliance with the solicitation requirements (bid type equal to "bid without exception"), and are submitted on the Defense Logistics Agency's Internet Bid Board System (DIBBS).

(1) The following are not, by themselves, considered exceptions to the solicitation requirements and will not make a quote ineligible** for an award:

(i) Quoting delivery days different than the required delivery days;

(ii) **Quoting origin inspection on solicitations requiring destination inspection;

(iii) Quoting a superseding or previously approved part or correction to a commercial and Government entity (CAGE)/part number cited in the acquisition identification description (AID) on an item described by manufacturer's CAGE and part number;

(iv) Quoting a used, reconditioned, remanufactured item;

(v) Quoting other than a domestic end product on an unrestricted solicitation;

(vi) Quoting a hazardous item;

(vii) Quoting a new/unused Government surplus item; and

(viii) Quoting "Other" when the solicitation states a higher level quality requirement is required.

Note: The Department of Defense is implementing a policy that limits Government source inspections and permits Government source inspection for specific instances. Suppliers should submit quotes based on the requirements stated in the solicitation. If a supplier's quote does not comply with the requirements stated in the solicitation, evaluation factors will be applied. See paragraph (b)(1) below. Additionally, should a quote citing origin inspection for a solicitation requiring destination inspection be evaluated manually, the quote may become ineligible for award.

(2) The following are considered exceptions to the solicitation requirements and will make a quote ineligible for a fully-automated award:

(i) Quoting an alternate product or otherwise taking exception to the solicitation's item description;
(ii) Exceptions to packaging requirements;
(iii) Exceptions to free on board (f.o.b.) terms;
(iv) Quoting destination inspection on a solicitation requiring origin inspection;
(v) Exceptions to required quantity;
(vi) Quoting a quantity variance greater than what is specified on the solicitation;
(vii) Quoting "None" when a higher level quality requirement is required; and
(viii) Quoting the use of child labor.

(b) Evaluation factors: All qualified quotes are evaluated on the basis of price alone. Quantity price breaks are not considered. Price evaluation factors are added to the total quoted price in the following instances:

(1) $250 for quoting origin inspection when the Government's requirement is for destination inspection (see Defense Logistics Acquisition Directive (DLAD) clause 52.213-9001; factor does not apply to Foreign Military Sales (FMS) and Direct Vendor Delivery (DVD) requirements if any qualified quote is above $25,000);

(2) $200 for quoting surplus material on non-critical items; $700 for quoting surplus material on critical items. When an automated quote of surplus material is in line for award after applying the above evaluation factors, a manual evaluation will be conducted in accordance with the more detailed evaluation criteria in 52.211-9003; and

(3) The Buy American Act (BAA) places restrictions on the purchase of supplies that are not domestic end products. Refer to Defense Federal Acquisition Regulation Supplement (DFARS) 252.225-7001 or 252.225-7036, as applicable. .

(c) Tie quotes: If evaluated offers results in a tie between qualified quotes, the award decision will be based on the following order of precedence:

(1) A domestic end product offer over a non-qualifying country end product offer;
(2) Small business offer over a large business offer;
(3) Offer with the shortest delivery (if a quote contains different deliveries for multiple line items the automated evaluation program uses the average of the delivery periods); and
(4) First quote submitted.

(d) Manual evaluation: If the solicitation did not state that it was a candidate for automated evaluation, or if the solicitation stated that it was a candidate for automated evaluation but the automated evaluation system is unable to make price reasonableness or Contractor responsibility determinations, the solicitation and quote will be evaluated and awarded manually. When a quote is manually evaluated the Contracting Officer may consider quantity price breaks offered without further solicitation or discussion.

(e) Manual evaluation factors: If the requirement is evaluated manually, price, delivery, and past performance will be considered in accordance with the terms in the solicitation. Delivery will be considered consistent with 52.211-9011.

(f) Alternate offers: Alternate offers will not be considered for automated award. Alternate offers may be submitted for evaluation for future procurements to the location identified in procurement notes L04 and M06.

(g) Notice of award: The Government's offer to purchase, as evidenced by an order, is made on the basis of a submitted quotation. Suppliers are requested to notify the administrative Contracting Officer, within 14 days after receiving the notice of award, when they will not perform in accordance with an order. Failure to provide prompt notice will adversely affect your past performance evaluation if this order is later cancelled at other than the Government's request.

(h) Award distribution: The award will be posted to the DLA DIBBS web site and distributed via email notification with a Web link to an electronic copy of the DD Form 1155, Order for Supplies or Services. Orders will be transmitted via Electronic Data Interchange (EDI) to Contractors who are EDI-capable. Contractors that are not EDI-capable will receive their orders via email award notification containing Web links. Delays in the receipt of awards that are caused by email interruptions and Internet access are not excusable delays and will not extend delivery schedules.

(End of Provision)

52.213-9010 Indefinite Delivery Purchase Order (IDPO) Evaluation.
As prescribed in 13.390(d)(1), insert the following clause:

INDEFINITE DELIVERY PURCHASE ORDER (IDPO) EVALUATION (SEP 2012)

(a) The Government will award an IDPO resulting from this request for quote (RFQ) to the responsible offeror whose offer conforming to the terms and conditions within the RFQ will be most advantageous to the Government, price and/or other factors specified elsewhere in this solicitation considered. Evaluation of prices will be based on the estimated annual demand, as stated in the schedule.

(b) Failure to agree to the IDPO clause included in this request for quotes will affect the award decision for the solicited quantity, in that any offer received that fails to agree to an indefinite delivery purchase order maybe rejected as technically unacceptable.

(End of Clause)]

52.213-9011 Indefinite Delivery Purchase Order (IDPO) Agreement - Unilateral.
As prescribed in 13.390(d)(2), insert the following clause:

INDEFINITE DELIVERY PURCHASE ORDER (IDPO) AGREEMENT – UNILATERAL
(APR 2014)

(a) The Government will award a unilateral indefinite delivery purchase order (IDPO) agreement resulting from this request for quotes to the responsible offeror whose offer conforming to the IDPO terms and conditions will be most advantageous to the Government, price and/or other factors considered.

(b) The Contractor agrees that he/she will accept additional orders under the same terms and conditions specified in the basic order. The initial delivery order represents the minimum quantity, therefore the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the purchase order, effective from the date of the initial order. All additional orders will reference the basic order. The aggregate value of all orders shall not exceed the simplified acquisition threshold (see FAR 2.101); or, for acquisitions conducted using FAR Subpart 13.5, shall not exceed $6.5 million ($12 million for acquisitions described in 13.500(e)). The maximum value under the IDPO is stated in the basic order.

(c) Evaluation of Quotes. If quotes include variable pricing based upon conditions such as quantity ranges, transportation zones, and/or option years, quotes will be evaluated by establishing an average unit price. The average unit price will be established by adding all unit prices together, then dividing the sum by the number of unit prices.

(d) Pricing of Orders. When issuing orders, the unit price shall be based on the price from the quantity range that will cover the total quantity on the order, regardless of destination.
(e) Numbering. The uniform procurement instrument identification numbering (PIIN) system will be used (see Defense Federal Acquisition Regulation Supplement (DFARS) 204.7003).

(End of Clause)

52.213-9012 Indefinite Delivery Purchase Order (IDPO) - Bilateral.
As prescribed in 13.390(d)(3), insert the following clause:

INDEFINITE DELIVERY PURCHASE ORDER (IDPO) - BILATERAL (APR 2014)

(a) The Government will award a bilateral IDPO resulting from this request for quotes to the responsible offeror whose offer conforming to the terms and conditions in the request for quotes will be most advantageous to the Government, price and/or other factors considered.
(b) The Contractor agrees that it will accept additional orders under the same terms and conditions specified in the basic order. This agreement becomes binding upon delivery of the initial order, which is the minimum quantity for this IDPO. The initial delivery order represents the minimum quantity for this IDPO, and the Government is under no obligation to place additional orders under this IDPO. The Government may place additional orders for the period of performance stated in the purchase order, effective from the date of the basic order. All additional orders will reference the initial order. The aggregate value of all orders shall not exceed the simplified acquisition threshold (see FAR 2.101); or, for acquisitions conducted using FAR Subpart 13.5, shall not exceed $6.5 million ($12 million for acquisitions described in 13.500(e)); the maximum value is stated in the basic order.
(c) Evaluation of quotes. If quotes include variable pricing based upon conditions such as quantity ranges, transportation zones, and/or option years, quotes will be evaluated by establishing an average unit price. The average unit price will be established for an award under the maximum value, by adding all unit prices together, then dividing the sum by the number of unit prices.
(d) Pricing of orders. When issuing orders, the unit price shall be based on the price from the quantity range that will cover the total quantity on the order, regardless of destination.
(e) Numbering. The uniform procurement instrument identification numbering (PIIN) system will be used (see Defense Federal Acquisition Regulation Supplement (DFARS) 204.7003).

(End of Clause)]

52.215-9002 Socioeconomic Proposal.
As prescribed in 15.304(c)(4)(90), insert the following provision.

SOCIOECONOMIC PROPOSAL (FEB 2012)

Whether or not required to submit a subcontracting plan by the clause 52.219-9, all offerors shall:
(a) Provide a description of the efforts your company will make to assure that small, women-owned, historically underutilized business zone(s) **(**HUBZone), veteran-owned, service-disabled veteran-owned small business (SDVOSB**),** and economically disadvantaged women-owned small business concerns**,** and historically black colleges/universities or minority institutions (HBCUs/MIs) will have equal opportunity to compete for subcontracts under any resulting contract. Describe your current and planned proposed range of services, supplies, and any other support that will be provided to you by each of these categories. Include specific names of subcontractors to the extent they are known.
(b) Describe any future plans your company has for developing additional subcontracting opportunities for each of these categories during the contract period.

(c) Specify what proportion of your proposal, as a percentage of dollars, will be subcontracted to each of these categories.

(d) Specify what type of performance data you will accumulate and provide to the Contracting Officer regarding your support of each of these categories during the period of contract performance. Provide the name and title of the individual principally responsible for ensuring company support to such firms.

(End of Provision)

52.215-9003 Use of Past Performance Information Retrieval System – Statistical Reporting (PPIRS-SR) Information in Past Performance Evaluation.

As prescribed in 15.304-90(d)(2), insert in the following provision:

USE OF PAST PERFORMANCE INFORMATION RETRIEVAL SYSTEM – STATISTICAL REPORTING (PPIRS-SR) INFORMATION IN PAST PERFORMANCE EVALUATION (APR 2014)

(a) General.

(1) Past performance is an indicator of a Contractor's ability to perform satisfactorily on future awards.

(2) When used in best value source selections, past performance information will be evaluated based upon the currency and relevancy of past performance information in order to reach a confidence assessment for each offeror from which offers were received.

(3) The Defense Logistics Agency (DLA) will evaluate offerors' past performance, which may include, but is not limited to, their record of conforming to specifications, conformance to the standards of good workmanship, adherence to contract schedules, and commitment to customer satisfaction.

(b) Past Performance Information Retrieval System – Statistical Reporting (PPIRS-SR), authorized by the Department of Defense for use by participating activities during the acquisition of supplies and services may, be used in evaluating contractor past performance.

(c) PPIRS-SR classifications are established for each supplier and can be reviewed at http://www.ppirs.gov/. Contractors are granted access to PPIRS-SR for their own classifications. Offerors are encouraged to review their own classifications as well as the PPIRS-SR reporting procedures and rating methodology detailed in the PPIRS-SR procedures manual and the PPIRS-SR user guide available at http://www.ppirs.gov.

(1) PPIRS-SR classifications. Specific information as to how PPIRS-SR determines delivery and quality classifications can be found in the PPIRS Reference Material, specifically the "PPIRS-SR Evaluation Criteria" document on the PPIRS-SR Website at http://www.ppirs.gov/ppirsfiles/reference.htm.

(2) Classifications are calculated based upon three years of data.

(3) Data sources for PPIRS-SR information can be found in the PPIRS Reference Material, "PPIRS-SR Evaluation Criteria" document on the PPIRS-SR Website at http://www.ppirs.gov/ppirsfiles/reference.htm.

(4) PPIRS-SR will make negative quality and delivery data reflected in the PPIRS-SR Classification available to contractors for review and challenge. This is accomplished within the PPIRS-SR system.

(d) The following procedures will be followed when the Contracting Officer evaluates PPIRS-SR classifications:

(1) The Contracting Officer may consider the volume of business on which the classification is based as a measure of confidence in the classification as an indication of performance risk.

(2) Specifics as to how PPIRS-SR calculations are affected when there is no delivery or quality information provided by the source data bases can be found in the PPIRS Reference Material, specifically

the "PPIRS-SR Evaluation Criteria" document on the PPIRS-SR Website at http://www.ppirs.gov/ppirsfiles/reference.htm.

(3) In the case of a Contractor without a record of relevant past performance or for whom information on past performance is not available in the PPIRS-SR, the Contractor will be evaluated neither favorably nor unfavorably on past performance.

(4) Contractor-caused discrepancies or delinquencies will be reflected in a contractor's past performance assessment. Repair, replacement or reimbursement of quality and packaging defects will not provide relief of negative DLA performance data. Contractor-caused delivery extensions, regardless of consideration paid, will be reflected in the delivery classification for contracts issued by DLA.

(e) The Contracting Officer may collect and analyze other relevant information in addition to any past performance information derived from PPIRS-SR.

(End of Provision)

52.215-9009 All or None for Automated Procurements.
As prescribed in 15.209(e), insert the following provision:

ALL OR NONE FOR AUTOMATED PROCUREMENTS (AUG 2005)

Offers must be submitted on the total quantity of each item as offers for a part of the quantity of any listed item will be rejected.

(End of Provision)

52.215-9011 Requirements for Quantity Increments or Ranges.
As prescribed in 15.209(g), insert the following provision:

REQUIREMENTS FOR QUANTITY INCREMENTS OR RANGES (JUL 2006)

Offers are requested for increments or ranges of quantities as listed in the schedule of supplies or services. The awarded quantity, or quantities in the case of multiple items, will be based on the requirements of the Government and the combination of price and quantity per item that is most advantageous to the Government.

Quantity increments consist of a primary amount and alternate amounts based on incremental increases. The quantity awarded will be either the full primary or one of the alternate quantities.

Quantity ranges consist of a specific series of ranges. The quantity awarded may fall anywhere within any range.

If this is an invitation for bids (IFB), a bid that only contains prices for quantities other than those quantities solicited in the schedule of supplies or services will be determined to be non-responsive.

If this is a request for quote (RFQ) or a request for proposal (RFP), an offer that only contains prices for quantities other that those quantities indicated in the schedule of supplies or services may be precluded from consideration for award if the Contracting Officer elects to make an award without discussion of proposals.

If this solicitation requests offers for quantity ranges, the following apply:

The unit price applicable to the entire award quantity shall be the unit price offered for the quantity range in which the award quantity falls;

If an offer specifies the same price for all quantity ranges of an item, the offer may include a statement in the schedule of supplies or services that the unit price applies to all quantity ranges of that item. If an offer specifies different prices for a quantity range of an item, the offer must show a unit price in each quantity range column in the schedule of supplies or services.

Award may be made on the basis of that quantity and price combination that is most advantageous to the Government without discussion of proposals.

Cost or pricing data, if required, shall be furnished at the request of the Contracting Officer and need not be submitted with your offer.
If this solicitation includes an option provision, option prices must be included for each increment.
(End of Provision)

52.215-9023 Reverse Auction.
As prescribed in 15.408-90(d)(1), use the following provision.

REVERSE AUCTION (OCT 2013)

The Contracting Officer may utilize on-line reverse auctioning as a means of conducting price discussions under this solicitation. If the Contracting Officer does not conduct a reverse auction, award may be made on the basis of initial offers or following discussions not using reverse auctioning as a pricing technique. If the Contracting Officer decides to use on-line reverse auctioning to conduct price negotiations, the Contracting Officer will notify Offerors of this decision and the following provisions will apply:

(a) The award decision will be made in accordance with the evaluation factors as set forth in the solicitation. The reverse on-line auction will be used as a pricing technique during discussions to establish the final offered prices from each Offeror. These prices will be used in conjunction with the evaluation factors stated elsewhere in the solicitation in order to make the award decision in accordance with the basis for award stated in the solicitation.

(b) Following the decision to conduct discussions using reverse auctioning as a pricing technique, the Contracting Officer or his/her representative will provide Offerors determined to be in the competitive range with information concerning the auction process.

(c) rior to conducting the reverse auction, the Contracting Officer may hold discussions with the Offerors concerning matters appropriate for discussion, such as issues involving technical proposals or unbalanced pricing.

(d) Unless auction instructions indicate that only Offeror's rankings will be displayed, the lowest Offeror's price(s) for each round of the reverse auction will be disclosed to other Offerors and anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each Offeror's identity will be concealed from other Offerors (although it will be known to the Government; only a generic identifier will be used for each Offeror's proposed pricing, such as "Offeror A" or "lowest-priced Offeror"). By submitting a proposal in response to the solicitation, Offerors agree to participate in the reverse auction and that their prices may be disclosed, including to other Offerors, during the reverse auction.

(e) An Offeror's final auction price at the close of the reverse auction will be considered its final price proposal revision. No price revisions will be accepted after the close of the reverse auction, unless the Contracting Officer decides that further discussions are needed and final price proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307, or the Contracting Officer determines that it would be in the best interest of the Government to re-open the auction.

(f) The following requirements apply when the Government uses a commercial web-based product to conduct the reverse auction:

(1) Each Offeror identified by the Contracting Officer as a participant in the reverse auction will be contacted by Defense Logistic Agency's commercial reverse auction service provider to advise the Offeror of the event and to provide an explanation of the process.

(2) In order for an Offeror to participate in the reverse auction, such Offeror must agree with terms and conditions of the entire solicitation, including this provision, and agree to the commercial reverse auction service provider's terms and conditions for using its service. Information concerning the reverse

auction process and the commercial service provider's terms and conditions is embedded within the email notification sent by the on-line reverse auction pricing tool system administrator.

(3) Offerors shall secure the passwords and other confidential materials provided by the commercial reverse auction service provider or the Government and ensure they are used only for purposes of participation in the reverse auction. Offerors shall keep their own and other Offeror's pricing in confidence until after contract award.

(4) The reverse auction system currently in use designates offers as "Lead," meaning the current low price in that auction, or "Not Lead," meaning not the current low price in that auction. In the event of a tie offer, the reverse auction provider's system designates the first offer of that price as "Lead" and the second or subsequent offer of that price as "Not Lead." Offerors shall not submit a tie offer, since this is inconsistent with the purpose of the reverse auction. If a tie offer is submitted and no evaluation factors other than price were identified in the solicitation, the "Not Lead" Offeror that submitted the tie offer must offer a changed price; otherwise its offer will be ineligible for award if their final price in the auction is the tie offer price. If evaluation factors in addition to price were listed in the solicitation, tie offers that are "Not Lead" will be considered and evaluated in accordance with those evaluation factors.

(5) Any Offerors unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the Contracting Officer or designated representative immediately. The Contracting Officer may, at his/her sole discretion, extend or re-open the reverse auction if the reason for the Offeror's inability to enter pricing is determined to be without fault on the part of the Offeror and outside the Offeror's control.

(6) The reverse auction will be conducted using the commercial reverse auction service provider's website as embedded in the email notification**.** Offerors shall be responsible for providing their own computer and internet connection.

(7) Training:

(i) The commercial reverse auction service provider and/or a Government representative will provide familiarization training to Offerors' employees; this training may be provided through written material, the commercial reverse auction service provider's website, and/or other means.

(ii) An employee of an Offeror who successfully completes the training shall be designated as a "Trained Offeror." Only Trained Offerors may participate in a reverse auction. The Contracting Officer reserves the right to request that Offerors provide an alternate Offeror employee to become a Trained Offeror. The Contracting Officer also reserves the right to take away the Trained Offeror's designation from any Trained Offeror who fails to abide by the solicitation's or commercial reverse auction service provider's terms and conditions.

(End of provision)

52.215-9033 Competing Individual Delivery Orders Through On-Line Reverse Auctioning.
As prescribed in 15.408-90(d)(2), use the following clause.

COMPETING INDIVIDUAL DELIVERY ORDERS THROUGH ON-LINE REVERSE AUCTIONING (APR 2014)

The Contracting Officer may utilize reverse auctioning as a means of conducting price negotiations when placing delivery orders against this contract. If the Contracting Officer does not conduct a reverse auction, the delivery order will be placed based upon pricing established through other means specified in the contract. If the Contracting Officer decides to use on-line reverse auctioning to conduct price negotiations when competing a specific delivery order, the Contracting Officer will notify the Contractor of this decision via email and the following will apply.

(a) The selection decision for a delivery order will be made in accordance with the evaluation criteria stated in the contract or in the request for quotation issued for the proposed delivery order. At the Contracting Officer's discretion, a reverse auction will be used as the price negotiation technique for this delivery order. If a reverse auction is used, the offered prices at the end of the reverse auction, obtained through one or more rounds of the reverse auction, will be evaluated as the Contractors' final proposed prices. These final proposed prices will be considered in making an award decision for the delivery order along with any other evaluation factors that are to be considered in accordance with the evaluation criteria and selection process stated in the contract or in the request for quotation. At the conclusion of the reverse auction, the Contracting Officer may choose to conduct additional negotiations, either through another reverse auction or a different method.

(b) Prior to the reverse auction, the Government will determine whether all participants' prices, or just the lowest price(s), will be disclosed to other auction participants and to anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each participant's identity will be concealed from other participants (although it will be known to the Government). If the Government opts to disclose one or more participant's prices, only generic identifiers will be used for each participant's proposed pricing (e.g., "participant A or "lowest priced participant"). By submitting a proposal for a solicitation that includes this clause, a Contractor agrees to participate in the reverse auctions that will be conducted for award of specific delivery orders to be issued under the resulting multiple award contract program, and that its quoted prices for a delivery order may be disclosed to other Contractors participating in the reverse auction.

(c) The following information is provided regarding the procedures to be followed if reverse auction is conducted when competing a delivery order under this multiple award program.

(1) The Contracting Officer will issue a request for quote (RFQ) to all Contractors in the multiple-award program. After receiving quotes, the Contracting Officer will then send written notification, via email to Contractors with specifics regarding the reverse auction.

(2) Each Contractor identified by the Contracting Officer as a participant in the reverse auction will be contacted by DLA's commercial reverse auction service provider to advise the Contractor of the event and to provide an explanation of the process.

(3) Information concerning the reverse auction process and the commercial service provider's terms and conditions is available at the website, as embedded in the email notification.

(4) The participants in a reverse auction under this contract shall secure the passwords and other confidential materials provided by the commercial reverse auction services provider or the Government, and ensure they are used only for purposes of participation in the reverse auction. Contractors shall keep their own and other Contractors' pricing in confidence and shall not disclose this information to anyone not authorized to participate in the reverse auction until after contract award.

(5) Any participant unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the Contracting Officer or designated representative immediately. The Contracting Officer may, at his/her sole discretion, extend or re-open the reverse auction if the reason for the participant's inability to enter pricing is determined to be without fault on the part of the participant and outside the participant's control.

(6) The reverse auction will be conducted using the commercial reverse auction service provider's website, as embedded in the email notification. Participants shall be responsible for providing their own computer and Internet connection.

(7) Training:

(i) The commercial reverse auction service provider and/or a Government representative will provide familiarization training to participants' employees; this training may be provided through written material, the commercial reverse auction service provider's website, and/or other means.

(ii) An employee of a participant who successfully completes the training shall be designated as a 'trained participant.' Only trained participants may take part in a reverse auction.

(iii) The Contracting Officer reserves the right to request that participants provide an alternate employee to become a 'trained participant.' The Contracting Officer also reserves the right to review the 'trained participant' designation of any trained participant who fails to abide by the terms and conditions of this contract or the terms of the commercial reverse auction service provider. In the discretion of the Contracting Officer, such trained participant may be barred from participation in on-going or subsequent reverse auctions. The Contracting Officer's decision is subject to appeal to the task-order and delivery order ombudsman pursuant to Defense Logistics Acquisition Directive (DLAD) 16.505(b).

(End of Clause)

52.215-9035 Sales Pricing Practices – Noncommercial Items.
As prescribed at 15.408-90(g), insert the following provision:

SALES PRICING PRACTICES - NONCOMMERCIAL ITEMS
(JAN 2014)

(a) This provision is applicable to items under this solicitation that do not meet the definition of commercial item in FAR 2.101.

(b) Before award of a contract, the Contracting Officer and the Offeror will agree upon (1) the customer (or category of customers) that will be the basis of award and (2) the Government's price relationship to the identified customer (or category of customers). This agreement will be based on the information provided by the Offeror in accordance with paragraph (d) of this clause. Any change in this pricing arrangement during the contract period shall constitute a price reduction and be subject to the requirements of 52.215-9037, Price Reduction.

(c) Definitions.

"Aligned customer" means the similarly-situated customer with best current pricing for an item identified to the Government during the pricing process resulting in the final agreed to price of an item.

"Best current pricing" means the most recent, lowest price for an item offered to a customer similarly-situated to DLA after application of any discount, rebate, or other price reduction.

"Similarly-situated" means a customer with similar annual demand for an item compared to DLA's annual demand. The estimates or forecasts of Government demand in this solicitation will be used in calculating DLA's annual demand, unless a different basis is agreed to by the Offeror and the Contracting Officer. Annual demands varying (plus or minus) up to 20% are similar for purposes of this provision, unless a different variance is agreed to by the Offeror and the Contracting Officer.

(d) Provide the information described below for each item (or groups of items, as applicable) covered by this provision. The Offeror may provide a single response covering more than one item, if the information disclosed is the same for all covered items.

(1) A list of all covered items with the best current pricing available for each item. Upon request by the Contracting Officer, the Offeror shall provide substantiating documentation for claimed best current pricing. The Offeror shall provide information that is, to the best of its knowledge and belief, current, accurate, and complete as of 14 calendar days prior to its submission. In the case of certified cost or pricing data, the applicable certification requirements take precedence over this part of this provision. The Offeror shall disclose any changes in its price list(s), discounts, and/or discounting policies that occur after the offer is submitted but before the close of negotiations.

(2) The price for each item offered under this solicitation. If the offered price for an item is not equal to or less than the best current pricing available to a similarly-situated customer, the Offeror shall provide a detailed explanation of the factors justifying a higher price for the item. The Offeror shall provide

certified cost or pricing data or data other than certified cost or pricing data, depending on whether certified cost or pricing data is required under this solicitation for the item(s) in question.

(3) A description of concessions offered under this solicitation that are of value to the Government and are not granted to other customers. Such concessions may include, but are not limited to, an extended warranty, a return/exchange goods policy, or enhanced or additional services.

(4) If the Offeror is a dealer/reseller or will use dealers to perform any aspect of contract requirements awarded under this solicitation, describe the functions, if any, that the dealer/reseller will perform.

(5) The final agreed-to price for each item under this contract will be aligned with the similarly-situated customer or category of customers that receives the Offeror's best current price for each item for purposes of 52.215-9037, Price Reductions.

(End of provision)

52.215-9036 Sales Pricing Practices – Commercial Items.
As prescribed at 15.408-90(h), insert the following provision:

SALES PRICING PRACTICES – COMMERCIAL ITEMS (JAN 2014)

(a) This provision is applicable to items meeting the definition of commercial item in FAR 2.101.

(b) Before award of a contract, the Contracting Officer, using the submitted information, and the Offeror will agree upon: (1) the customer (or category of customers) which will be aligned with the Government for pricing; and (2) the Government's price or discount relationship to the aligned customer (or category of customers). This agreement will be based on the information provided by the Offeror in accordance with paragraph (e) of this clause. Any change in this pricing arrangement during the contract period shall constitute a price reduction and be subject to the requirements of 52.215-9037, Price Reduction.

(c) Definitions.

"Aligned customer" means the customer (or category of customers) whose pricing is aligned with the Government pricing for purposes of the 52.215-9037, Price Reductions.

"Concession" means a benefit, enhancement or privilege (other than a discount), which either reduces the overall cost of a customer's acquisition or encourages a customer to consummate a purchase. Concessions include, but are not limited to, freight allowance, extended warranty, extended price guarantees, free installation, and bonus goods.

"Discount" means a reduction to item prices (published or unpublished). Discounts include, but are not limited to, rebates, quantity discounts, purchase option credits, and any other terms or conditions other than concessions that reduce the amount of money a customer ultimately pays for goods or services ordered or received. Any net price lower than an established or list price is considered a "discount" by the percentage difference from the established or list price to the net price.

(d) For each item included in an offer, provide the information outlined in paragraph (e). The Offeror may provide a single response covering more than one item, if the information disclosed is the same for all covered items. If discounts and concessions vary by item, model, or product line, the Offerors shall ensure that information is clearly annotated as to item or items referenced.

(e) Provide information described below for each item (or groups of items, as applicable):

(1) Two copies of the Offeror's current published (dated or otherwise identified) commercial descriptive catalogs and/or price list(s) from which discounts are offered. If special catalogs or price lists are printed for the purpose of this offer, such descriptive catalogs or price lists shall include a statement indicating the special catalog or price list represents a verbatim extract from the Offeror's commercial catalog and/or price list and shall identify the descriptive catalog and/or price list from which the information has been extracted.

(2) The discount(s) offered under this solicitation. The description of discounts offered shall include all discounts, such as prompt payment discounts, quantity/dollar volume discounts (indicate whether models/products can be combined to earn discounts), blanket purchase agreement discounts, or purchase option credits. If the terms of sale appearing in the commercial catalogs or price list on which an offer is based are in conflict with the terms of this solicitation, the latter shall govern.

(3) A description of concessions offered that are not granted to other customers. Such concessions may include, but are not limited to, an extended warranty, a return/exchange goods policy, or enhanced or additional services.

(4) If the Offeror is a dealer/reseller or will use dealers to perform any aspect of contract requirements awarded under this solicitation, describe the functions, if any, that the dealer/reseller will perform.

(5) Provide the dollar value of sales to non-DLA Department of Defense and commercial customers at or based on an established catalog or market price during the previous 12-month period or your last fiscal year. Identify the beginning and ending of the 12-month or fiscal year period, as applicable. In the event that a dollar value is not an appropriate measure of the sales, the Offeror shall provide and describe its own measure of the sales of the item(s).

(6) Based on the Offeror's written discounting policies (or standard commercial sales practices, in the event the Offeror does not have written discounting policies), state whether the discounts and any concessions being offered are equal to or better than the Offeror's best price (discount and concessions in any combination) offered to any customer acquiring the same item(s), regardless of quantity or terms and conditions. For each item or group of items for which the response is affirmative (i.e., the discounts and any concessions offered to the Government under this solicitation are equal to or better than the Offeror's best price offered to any customer), submit the information covered by the chart in paragraph (8) below for the customer(s) who receive your best discount. For each item or group of items for which the response is negative, submit the information covered by the chart in (e)(8) identifying the Offeror's written policies or standard sales practices for all customers or customer categories to whom the Offeror sells at a price (discounts and concessions in combination) that is equal to or better than the price(s) offered to the Government under this solicitation or with which the Offeror has a current agreement to sell at a discount that equals or exceeds the discount(s) offered under this solicitation. Such agreement shall be in effect on the date the offer is submitted or contain an effective date during the contract period that will result from this solicitation. If the offered price is lower than the Offeror's price to other customers or customer categories, the Offeror will be aligned with the customer or category of customers that receives the Offeror's best price for purposes of 52.215-9037, Price Reductions. Provide information required by the format in (e)(8) below in accordance with these instructions that is, to the best of the Offeror's knowledge and belief, current, accurate, and complete as of 14 calendar days prior to its submission. The Offeror shall also disclose any changes in its price list(s), discounts and/or discounting policies that occur after the offer is submitted, but before the close of negotiations. If the Offeror's discount practices vary by item, model, or product line, the discount information should be by model or product line as appropriate. The Offeror may limit the number of items, models, or product lines reported to those which exceed 75% of actual historical Government sales (commercial sales may be substituted if Government sales are unavailable) value of the item.

(7) Based on the Offeror's written discounting policies (or standard commercial sales practices, in the event the Offeror does not have written discounting policies), the Offeror shall use the format of the chart below to provide the information in each column heading for each item (or group of items for which the information is the same) covered by this solicitation. Identify each chart by the associated item(s) nomenclature. Provide a separate chart for each item (or group of items) for which the information in any of columns 2 through 5 is different from other items or groups of items. Add rows as needed for additional customers. Complete each chart in accordance with the instructions following the sample chart below.

(i) For each chart, state whether any deviations from the Offeror's written policies or standard commercial sales practices disclosed in each chart ever result in better discounts (lower prices) or concessions than indicated. In each case where there are better discounts of concessions compared to a chart, explain basis for the deviations. When there are deviations, provide an explanation of the circumstances under which the Offeror deviates from its written policies or standard commercial sales practices disclosed in the chart and explain how often they occur. The Offeror's explanation shall include a discussion of situations that lead to deviations from standard practice, an explanation of how often they occur, and the controls the Offeror employs to assure the integrity of its pricing. Examples of typical deviations may include, but are not limited to, one-time goodwill discounts to charity organizations or to compensate an otherwise disgruntled customer; a limited sale of obsolete or damaged goods; the sale of sample goods to a new customer; or the sales of prototype goods for testing purposes.

(ii) If deviations from the Offeror's written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format are so significant and/or frequent that the Contracting Officer cannot establish whether the price(s) offered is fair and reasonable, then the Offeror may be asked to provide additional information. The Contracting Officer may ask for information to demonstrate that the Offeror has made substantial sales of the item(s) in the commercial market consistent with the information reflected on the chart on the Commercial Sales Practice Format, a description of the conditions surrounding those sales deviations, or other information that may be necessary in order for the Contracting Officer to determine whether the Offeror's price(s) is fair and reasonable. In cases where additional information is requested, the Contracting Officer will target the request in order to limit the submission of data to that needed to establish the reasonableness of the offered price.

COLUMN 1 CUSTOMER	COLUMN 2 DISCOUNT	COLUMN 3 QUANTITY/VOLUME	COLUMN 4 FOB TERM	COLUMN 5 CONCESSIONS

Column 1- Identify the applicable customer or category of customer. A "customer" is any entity that acquires supplies from the Offeror. The term includes, but is not limited to, original equipment manufacturers, value-added resellers, state and local governments, distributors, educational institutions (an elementary, junior high, or degree-granting school that maintains a regular faculty, established curriculum, and an organized body of students), dealers, national accounts, and end users. In any instance when the Offeror is asked to disclose information for a customer, the Offeror may disclose information by category of customer if the Offeror's discount policies or practices are the same for all customers in the category. (Use a separate line for each customer or category of customer.)

Column 2-Identify the discount. The term "discount" is defined in paragraph (c) of this provisione. Indicate the best discount (based on the Offeror's written discounting policies or standard commercial discounting practices if the Offeror does not have written discounting policies) at which the Offeror sells to the customer or category of customers identified in Column 1, without regard to quantity; terms and conditions of the agreements under which the discounts are given; and whether the agreements are written or oral. Net prices or discounts off of other price lists should be expressed as percentage discounts from the price list which is the basis of the Offer. If the discount disclosed is a combination of various discounts (prompt payment, quantity, etc.), the percentage should be broken out for each type of discount.

If the price lists which are the basis of the discounts given to the customers identified in the chart are different than the price list submitted upon which the Offer is based, identify the type or title and date of each price list. The Contracting Officer may require submission of these price lists. To expedite evaluation, the Offeror may provide these price lists at the time of submission.
Column 3-Identify the quantity or volume of sales. Insert the minimum quantity or sales volume which the identified customer or category of customer must either purchase/order, per order or within a specified period, to earn the discount. When purchases/orders must be placed within a specified period to earn a discount indicate the time period.
Column 4-Indicate the FOB delivery term for each identified customer. See FAR 47.3 for an explanation of FOB delivery terms.
Column 5-Indicate concessions regardless of quantity granted to the identified customer or category of customer. Concessions are defined in paragraph (c) of this provision. If the space provided is inadequate, the disclosure should be made on a separate sheet by reference.

(End of provision)

52.215-9037 Price reductions.
As prescribed at 15.408-90(i), insert the following clause.

PRICE REDUCTIONS (JAN 2014)

(a) This clause shall be read in conjunction with provisions 52.215-9035, Sales Pricing Practices – Noncommercial Items, and 52.215-9036, Sales Pricing Practices – Commercial Items, as applicable.

(b) During the contract period, the Contractor shall report to the Contracting Officer all price reductions to any aligned customer (or category of customers). The Contractor's report shall include an explanation of the conditions under which the reductions were made.

(c) Price reductions.

(1) *Commercial items*. A price reduction shall apply to purchases of commercial items under this contract if, after the date negotiations conclude, the Contractor —

(i) Revises the commercial catalog, pricelist, schedule, or other document upon which contract award was based to reduce prices;

(ii) Grants more favorable discounts or terms and conditions than those contained in the commercial catalog, pricelist, schedule, or other documents upon which contract award was based; or

(iii) Grants discounts to an aligned customer (or category of customers) for item pricing, and the change disturbs the price/discount relationship of the Government to that customer (or category of customers).

(2) *Noncommercial items*. A price reduction shall apply to purchases of noncommercial items under this contract if, after the date negotiations conclude, the Contractor lowers the price paid by an aligned customer. The price reduction to the Government for an item will be calculated by applying the same percentage reduction to the Government price as was made to the price to the aligned customer.

(3) The Contractor shall offer the price reduction to the Government with the same effective date, and for the same time period, as extended to the aligned customer (or category of customers).

(4) There shall be no price reduction for sales caused by an error in quotation or billing, provided adequate documentation is furnished by the Contractor to the Contracting Officer.

(d) The Contractor may offer the Contracting Officer a voluntary price reduction at any time during the contract period.

(e) The Contractor shall notify the Contracting Officer of any price reduction subject to this clause as soon as possible, but not later than 15 calendar days after the effective date of the price reduction.

(f) The contract will be modified to reflect any price reduction that becomes applicable in accordance with this clause, with an effective date for the price change determined in accordance with paragraph (c) of this clause.

(End of clause)

52.216-9000 Implementation of FAR 52.216-2 Economic Price Adjustment--Standard Supplies. As prescribed in 16.203-4(S-92)(a)(1)(90) and 16.203-4(b)(1)(S-90), insert a clause that is substantially the same as the following clause:

IMPLEMENTATION OF FEDERAL ACQUISITION REGULATION (FAR) 52.216-2 ECONOMIC PRICE ADJUSTMENT - STANDARD SUPPLIES (NOV 2011)

Economic price adjustment (EPA) pursuant to the clause of this contract entitled Economic Price Adjustment–Standard Supplies (FAR 52.216-2), shall be determined as implemented herein.
EPA is limited to changes in the established price for the contract line item number (CLIN) listed below. The offeror shall report the item name, its part number and current established price (as defined in paragraph (a) of the aforementioned EPA clause), its unit of measure and free on board (f.o.b.) location, shall identify the name, source and date of the document containing such price, and shall attach to its offer, a copy of the pages from such document identifying the item and its price:
_____(Note1)_____
In the event the price cited in (b) is an established market price which the Contracting Officer determines consistently and substantially fails to reflect market conditions, the Contracting Officer may modify the contract to specify use of an appropriate substitute market price, effective on the date such market price specified in the contract begins to consistently and substantially fail to reflect market conditions.
The Contractor shall include with the final invoice, a statement that the Contractor has not experienced a decrease in the unit price for the item listed herein, or a statement that it has given notice of all such decreases in compliance with the EPA clause.

(End of Clause)

Note 1: The Contracting Officer shall list the contract line-item number (CLIN) to be subject to EPA, provide for offeror fill-in of its item name, part number, current cost, unit of measure and free on board (f.o.b.) location for such item, and for the name, source and date of the document containing such price.

52.216-9001 Implementation of FAR 52.216-3 Economic Price Adjustment -Semistandard Supplies. As prescribed in 16.203-4(b)(1)(S-90), insert a clause that is substantially the same as the following clause:

IMPLEMENTATION OF FEDERAL ACQUISITION REGULATION (FAR) 52.216-3 ECONOMIC PRICE ADJUSTMENT - SEMISTANDARD SUPPLIES (NOV 2011)

(a) Economic price adjustment (EPA) pursuant to the clause of this contract entitled Economic Price Adjustment–Semistandard Supplies (FAR 52.216-3), shall be determined as implemented herein.
(b) EPA is limited to changes in the established price for the contract line item number (CLIN) listed below. The offeror shall report the item name, its part number and current established price (as defined in paragraph (a) of the aforementioned EPA clause), its unit of measure and free on board (f.o.b.) location, shall identify the name, source and date of the document containing such price, and shall attach to its offer, a copy of the pages from such document identifying the item and its price:
_____(Note 1)_____

(c) In the event the price cited in (b) is an established market price which the Contracting Officer determines consistently and substantially fails to reflect market conditions, the Contracting Officer may modify the contract to specify use of an appropriate substitute market price, effective on the date such market price specified in the contract begins to consistently and substantially fail to reflect market conditions.
(d) The Contractor shall include with the final invoice, a statement that the Contractor has not experienced a decrease in the unit price for the item listed herein, or a statement that it has given notice of all such decreases in compliance with the EPA clause.

(End of Clause)

Note 1: The Contracting Officer shall list the contract line-item number (CLIN) to be subject to EPA, provide for offeror fill-in of its item name, part number, current cost, unit of measure and free on board (f.o.b.) location for such item, and for the name, source and date of the document containing such price.

52.216-9002 Implementation of FAR 52.216-4 Economic Price Adjustment--Labor and Material.
As prescribed in 16.203-4(c)(1)(90), insert a clause that is substantially the same as the following clause:

IMPLEMENTATION OF FEDERAL ACQUISITION REGULATION (FAR) 52.216-4 ECONOMIC PRICE ADJUSTMENT - LABOR AND MATERIAL (NOV 2011)

(a) Economic price adjustment (EPA) pursuant to the clause of this contract entitled Economic Price Adjustment–Labor And Material (FAR 52.216-4), shall be determined as implemented herein.
(b) EPA is limited to changes in the Contractor's cost relative to the labor category or item of material and the related contract line item number (CLIN)) listed below. The offeror shall list its current cost per unit of labor and/or materials for such item, shall identify the name, source and date of the document containing such cost, and shall attach to its offer, a copy of the pages from such document identifying the item and its cost:

_____(Note 1)_____

(c) EPA for the specified cost element relative to each contract line item number (CLIN) shall be calculated as follows:

_____(Note 2)_____

(d) The Contractor shall include with the final invoice, a statement that the Contractor has not experienced a decrease in any labor rate and/or material unit price for the item listed herein, or a statement that it has given notice of all such decreases in compliance with the EPA clause.

(End of Clause)

Note 1: For the item to be subject to price adjustment, the Contracting Officer shall list the contract line item number (CLIN), the specific labor category or item of raw material, purchased part, etc. to be subject to EPA, provide for offeror fill-in of its current cost and unit of measure for such category/item, and for the name, source and date of the document containing such cost.
Note 2: The Contracting Officer shall identify the quantity and cost (or the dollar percentage) of the item listed in paragraph (b) that is included in CLIN price, along with an explicit description of how an increase, and how a decrease, in such item cost shall be used in calculating any EPA to the CLIN unit price. A sample calculation may be included if deemed beneficial.

52.216-9003 Economic Price Adjustment – Specialty Metals – Market Price – Prospective Adjustments.
As prescribed in 16.203-4(S-91)(4), insert the following clause:

ECONOMIC PRICE ADJUSTMENT-SPECIALTY METALS – MARKET PRICE - PROSPECTIVE ADJUSTMENTS (NOV 2011)

(a) Warranties. The Contractor warrants that--

(1) The base unit prices set forth in the schedule do not include allowances for any portion of the contingency covered by this clause;

(2) The contract line items (CLINS) included in the table (paragraph (f)) are subject to the Preference for Domestic Specialty Metals clause of this contract; and

(3) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause--

(1) "Market price indicator," as specified in column 5 of the table is the measure of changes in the market price of the material cost for the specialty metal(s) included in the contract price of the CLINS subject to adjustment under this clause.

(2) "Base unit price" is the unit price of a CLIN listed in the table, as applicable, during the initial contract period, or during an option period, exclusive of any price adjustment pursuant to this clause.

(3) "Base period" is the three calendar months preceding the month containing, as applicable, the closing date for receipt of offers (final proposal revisions if discussions were held) under negotiation procedures or the date of bid opening under sealed bid procedures. In addition, if the contract includes a period option, the base period is the arithmetic average of the three calendar months immediately preceding the month prior to the month containing the effective date for the option exercised.

(4) "Base market price indicator" (BMPI) for a CLIN listed in the table is the arithmetic average of the market price indicator values for the base period for the specialty metal(s) specified in column (2) of the table for that CLIN.

(5) “Base specialty metals cost” (BSMC) for a CLIN listed in the table is the dollar value of the direct materials cost of a specialty metal as recorded in column (4) of the table for such item.

(6) “Adjustment period” for purposes of this contract, will be: (if none marked, adjustments will be done annually)

( ) Quarterly – adjustments will be calculated following the publication of the market price indicator for the second month in each consecutive three calendar month period.

( ) Semi-annually – adjustments will be calculated following the publication of the market price indicator for the fifth month in each consecutive six calendar month period.

( ) Annually - adjustments will be calculated following the publication of the market price indicator for the eleventh month in each consecutive twelve calendar month period.

(7) "Adjusting market price indicator" (AMPI) for a CLIN listed in the table during the first adjustment period of contract performance is the arithmetic average of the market price indicator values for the three months immediately preceding the month prior to the first month of contract performance. For subsequent adjustment periods, the adjusting market price indicator for such CLIN is the arithmetic average of the three calendar months immediately preceding the month prior to the first month of the current adjustment period for which a prospective adjustment is being calculated.

(8) “Adjusted specialty metal material cost” is the base specialty material cost, adjusted as specified in paragraph (c)(2) on a prospective basis.

(9) “Non-specialty metals base price” is the base unit price for a CLIN minus the base specialty metal material cost for that CLIN.

(10) “Adjusted CLIN unit price” is sum of the adjusted specialty metal material unit cost and the non-specialty metals unit price rounded to four decimal places.

(c) Adjustments.

(1) Promptly following publication of the market price indicator(s) for the month specified in paragraph (b)(5) of the current adjustment period, the Contracting Officer shall calculate the adjusted specialty metal material price(s) and adjusted contract line item unit price(s), and modify the contract

accordingly to incorporate CLIN prices that will be applicable to new orders issued during the next adjustment period.

(2) Calculations. All calculations shall be rounded to four decimal places. On the month prior to the beginning of the next adjustment period, the price adjustment(s) shall be calculated as follows:

(A) Compute the adjusting market price indicator (AMPI) for a CLIN, i.e., the arithmetic average of prices published for the indicator(s) shown in column (5) of the table for such CLIN, for the three month period preceding the current month.

B) Using the base market price indicator (BMPI) (column (6) of table and the adjusting market price indicator (AMPI) computed per (A) above, calculate the market price indicator percentage change as follows:

AMPI – BMPI = ± market price indicator change percentage (MPIC %) BMPI

(C) Use the base specialty metal(s) cost (BSMC $) (Column (4) of the TABLE) and the MPIC % ((B) above) to calculate the new adjusted specialty metals price as follows:

BSMC $ x MPIC % = ± specialty metal price change (SMPC)($)

± SMPC + BSMC = adjusted specialty metal cost per CLIN material price

Note: If more than one specialty metal is included in the table for a CLIN, the SMPC is calculated for each using the former of the above two formulas and the change for each (increase or decrease) added to the BSMC to calculate the adjusted specialty metal cost per CLIN (vice the latter formula above.)

(D) Determine the adjusted contract line item unit price by adding the adjusted specialty metal(s) cost(s) to the non-specialty metals portion of the CLIN price.

(3) Modifications. Price adjustments under this clause shall be effected by contract modification showing the base unit price(s), calculation of the adjusting market price(s), the base contract line item unit price, and the calculations used to arrive at the adjusted contract line item unit price(s).

(4) Invoices. The prices invoiced and payable under this contract shall be based on the unit price(s) in the contract on the date the order is awarded.

(5) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of the Default clause of this contract.

(6) Upward ceiling on economic price adjustment.

(i) The Contractor agrees that the total increase in any specialty metal material cost pursuant to these economic price adjustment provisions shall not exceed ___% (percent) of the original material cost in any applicable contract year (whether a single year or multiyear program), except as provided hereafter.

(ii) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(iii) If an actual increase in the indicator would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(7) Revision of market price indicator. In the event –

(i) Any applicable market price indicator is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(d) Final invoice. The Contractor shall include a statement on the final invoice under (1) the basic contract and under (2) each option period, that the amounts invoiced during the period have applied all adjustments required by this clause.

(e) Disputes. Any dispute arising under this clause shall be determined in accordance with and subject to the "Disputes" clause of the contract.

(f) Table. The offeror shall complete columns (1) through (4) in the table which follows, for all items containing specialty metals subject to adjustment under this clause (see paragraph (a)(2)). The offeror shall include with its offer adequate data to support derivation of the dollar value of specified material in the base unit price subject to adjustment (column (4)). Data supplied shall, at a minimum, provide an informal cost breakdown reflecting the current raw material cost, the specialty metal specification and the quantity of material per contract line item unit price.

(1)	(2)	(3)	(4)	(5)	(6)
Contract Line Item Number (CLIN) Subject to Adjustment	Specialty Metal Subject to Adjustment	Specialty Metal Amount per CLIN Unit of Issue	Base Specialty Metals Cost (see paragraph (b)(5)) in CLIN Base Unit Price	Specialty Metals Market price indicator identification and/or Name	Base Market Price Indicator (see paragraph (b)(4))
Sample CLIN 0000	Titanium Tt35	2 pound (lb)	$30	Platts US SG Ingot Producer	$14.10/lb

(End of Clause)

52.216-9006 Addition/Deletion of Items.
As prescribed in 16.506(90), insert the following clause:

ADDITION/ DELETION OF ITEMS (AUG 2005)

(a) The Government reserves the right to unilaterally delete items that were available from only one manufacturer at the time of award if an alternate source of supply becomes available or the Government's requirements are modified to provide for full and open competition. The Government will provide a 30 day advance notice to the Contractor prior to deleting any item from the Contract.

(b) New items may be added to the contract through bilateral modification with negotiated prices. All new requirements are subject to synopsis prior to addition to the contract.

(c) Discontinued items:

(1) The Contractor agrees to provide the Government with immediate, written notification when an item is to be discontinued by the manufacturer, including a recommendation for any potential substitute or replacement items. If the Government elects to include a substitute or replacement item in the contract, the contract will be modified accordingly.

(2) If an item is discontinued without replacement, the notice should include a recommendation concerning the availability of items that are comparable in form, fit, and function. The Contractor shall not incur any costs related to alternate sources of supply without the express written approval of the

Contracting Officer. The Government has the option to make a last time order, or series of orders, within 30 days after receiving written notification of the discontinued item after which the item will be deleted from the contract. The Contractor shall honor any last time order unless it is returned to the ordering office within 10 days after issuance, with written notice stating the full quantity is not available for shipment. The terms of such order(s) will be negotiated by the parties, including changes to the delivery schedule and maximum quantity available for shipment.

(End of Clause)

52.216-9008 Offeror's Quantity Limitations.
As prescribed in 16.506(91)(b), insert the following clause:

OFFEROR'S QUANTITY LIMITATIONS (JUL 2006)

An offer may be restricted by completing the following section, however such conditional offers may not be acceptable. Stating no restriction, either below or elsewhere in the offer, is express authorization to accept award of the total quantity offered or any part thereof.

[ ] 100% of all items offered or none.

[ ] Clearly describe other restrictions, if any, under which the offer is submitted.

_____

(End of Clause)

52.216-9012 Economic Price Adjustment for Unitized Group Rations (UGR) - A Components – Actual Material Costs.
As prescribed in 16.203-4(c)(2), 16.203-4-90(b), and FAR 16.203-4(c), insert the following clause:

ECONOMIC PRICE ADJUSTMENT FOR UNITIZED GROUP RATIONS (UGR) - A COMPONENTS – ACTUAL MATERIAL COSTS – DLA TROOP SUPPORT SUBSISTENCE (NOV 2011)

(a) Warranties. The Contractor warrants that---

(1) distribution prices covered by this contract do not include allowances for any portion of the contingency covered by this clause; and

(2) all prices invoiced under this contract shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term:

(1) "Contract unit price" means the total fixed price per unit charged to DLA Troop Support for a product delivered to DLA Troop Support's customers. The contract unit price consists of two parts: Total Components price and Distribution price. The sum of these two prices shall be rounded up or down as applicable, (based on the rule of 5 or over to round up) to two (2) places to the right of the decimal point to calculate the contract unit price. Only the delivered price component of the contract unit price is subject to adjustment under this clause.

(2) "Total components price" means the total cost to the Contractor for all the food and disposable component items of the ration module, which is calculated by summing the total individual costs to the Contractor of each food and disposable component item in the ration module. The total cost to the Contractor for each ration component is calculated as the net unit price charged to the Contractor for that component, multiplied by the quantity of units per ration module. The net unit price for each component is the price paid by the Contractor to its supplier(s) for delivery of the component product to its distribution/assembly location (often called the "delivered price" or "landed cost"), taking into account any product discounts or rebates offered by the suppliers. The most recent vendor's invoice price for a

ration component should usually meet this definition as the net unit price for the component. The following table gives an example of how to calculate the total components price:

Lunch/Dinner Menu 1 Perishable - 8970-01-525-6813 - Chicken Parmesan

Menu Item	Net Unit	Net Unit Price	Case Pack	Qty/ Ration	Units/ Ration	Component $ / Ration
Chicken Parmesan	CS	$22.45	50 PC	50 PC	50/50	$22.45
Sauce	CS	$4.25	6 CN	3 CN	3/6	$2.13
Lemon Cake	CS	$5.17	8 EA	2 EA	2/8	$1.29
Total Components Price						$25.87

Legend: Qty = Quantity' CS = case; PC = piece; CN = carton; EA = each

(3) "Distribution price" means the firm fixed price portion of the contract unit price, offered as a dollar amount per unit of issue, which represents all the elements of the contract price other than the total components price. The distribution price typically covers the Contractor's projected general and administrative expenses, overhead, packaging costs, transportation costs from the Contractor's distribution/assembly point, and any other projected expenses associated with delivery to DLA Troop Support's customers, plus profit. This price shall remain constant for the complete term of the contract period then in effect. Distribution prices shall be formatted to two (2) places to the right of the decimal point, for example, $4.50 per semi-perishable ration module.

(4) "Ordering catalog" means the listing of contract ration modules to be delivered to Government customers, and their corresponding contract unit prices available for ordering under this contract.

(5) "Ordering week" means the 7-day week, from Sunday at 12:01 AM through the following Saturday until midnight Eastern Time (ET), standard or daylight as applicable), during which the Government place orders for unitized group rations (UGR) A modules to the Contractor.

(c) Price adjustments.

(1) General.

(A) All ordering catalog prices shall be fixed and remain unchanged until changed pursuant to this clause or other applicable provision of the contract. If the Contractor's applicable total components price of a ration component(s) changes (i.e. increase or decrease) after the contract date, the corresponding contract unit price may be increased, or shall be decreased, by the same amount. The price change shall be effective at the beginning of the next ordering week. All ordering catalog unit prices computed in accordance with this clause and in effect when an order is placed shall remain in effect for that order through delivery. DLA Troop Support will be charged the contract unit price at time of each order regardless of any changes in the unit price occurring in any subsequent ordering week. In the event the Contractor finds a price recorded in the ordering catalog was not computed in accordance with this clause, and the error resulted in a higher contract unit price, than would have applied if this clause had been correctly applied, the Contractor shall immediately notify the Contracting Officer in writing and promptly thereafter submit a refund proposal. The posting of updated prices in the ordering catalog, calculated in accordance with this clause, constitutes a modification to this contract. No further contract modification is required to effect the change.

(B) The Contractor shall submit a request weekly for approval of price changes and for the retention of current prices, no later than Thursday, 1:00 PM eastern time (ET) to be effective in the following ordering week's ordering catalog prices. The Contractor shall notify the Contracting Officer of its request in the form of an electronic data interchange (EDI) 832 transaction set or via an update to the

United States Department of Agriculture (USDA) web-ordering tool, as applicable. The notice shall include the Contractor's adjustment in the total components price component of the applicable contract unit price.

(C) The Contracting Officer may at any time require the submission of supporting data to substantiate any requested price change or the requested continuation of the pre-existing price for any item, including prices applicable to prior ordering weeks. Upon notice from the Contracting Officer that supporting data is required, the Contractor shall immediately furnish to the Government all supporting data, including but not limited to, invoices, quotes, price lists and any other substantiating information requested by the Contracting Officer.

(D) The Contracting Officer may reject any price change or request to maintain a current price for any item, to the extent such price is found not to be representative of the Contractor's current total components price.

(E) Should the Contracting Officer determine that a price change request contained an erroneous unit price or price change, the Contracting Officer may direct that the contract unit price be set at the amount determined by the Contracting Officer to reflect the accurate Total Components price. If the accurate price is lower than the erroneous price or price change, then the Contractor shall promptly thereafter submit a refund proposal.

(F) If the Contracting Officer does not notify the Contractor by Friday, 12:30 PM ET that a price or a price change request is being questioned or has been found to be erroneous, the requested contract unit price change(s) will be incorporated in the ordering catalog to be effective with the beginning of the following ordering week. Price change requests that the Contracting Officer questions or finds to be inconsistent with the requirements of this clause shall not be posted until the Contracting Officer specifically authorizes the posting.

(G) For all proposed prices that were not correctly entered in time into the ordering catalog for the following week, or were identified following the commencement of the applicable ordering week, and for any excessive prices found in prior ordering catalogs, that resulted in incorrectly higher contract unit prices, the Contractor shall promptly refund the difference between the correct amount and the incorrect amount to the Government, whether identified by the Contractor or by the Contracting Officer.

As an example, the following illustrates a request for a contract unit price change for lunch/dinner perishable menu 1:

Price effective for ordering week 13-19 Aug 2006

Lunch/Dinner Menu 1 Perishable - 8970-01-525-6813 - Chicken Parmesan

Menu Item	Net Unit	Net Unit Price	Case Pack	Qty/ Ration	Units/ Ration	Component $ / Ration
Chicken Parmesan	CS	$22.45	50 PC	50 PC	50/50	$22.45
Sauce	CS	$4.25	6 CN	3 CN	3/6	$2.13
Lemon Cake	CS	$5.17	8 EA	2 EA	2/8	$1.29
Total Components Price						$25.87
Distribution Price						$4.25
Contract Unit Price						$30.12

On 15 Aug 2006, the Contractor has received a new delivery of chicken parmesan at $21.50 per case, and lemon cake at a delivered price of $5.30 per case. The Contractor would request a contract unit price change as follows (requested changes in bold):

	Net	Net Unit	Case	Qty/	Units/	Component

Menu Item	Unit	Price	Pack	Ration	Ration	$ / Ration
Chicken Parmesan	CS	$21.50	50 PC	50 PC	50/50	$21.50
Sauce	CS	$4.25	6 CN	3 CN	3/6	$2.13
Lemon Cake	CS	$5.30	8 EA	2 EA	2/8	$1.33
Total Components Price						$24.96
Distribution Price						$4.25
Contract Unit Price						$29.21

(2) Limitations. All adjustments under this clause shall be limited to the effect on contract unit prices of actual increases or decreases in the net unit prices for material. There shall be no upward adjustment for—

(A) Production cost increases incurred by the Contractor

(B) Changes in the quantities of material.

(d) Upward ceiling on economic price adjustment. The aggregate of contract unit price increases for each item under this clause during any single performance period (base or option period) shall not exceed 10 percent (%) of the initial contract unit price in such performance period except as provided hereafter. There is no downward limitation on the aggregated percentage of decreases that may be made under this clause.

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, or in the event the latest actual cost for an item would exceed the allowable ceiling price under the contract, then the Contractor shall immediately notify the Contracting Officer in writing of the facts and circumstances. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of the remaining contract performance period, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the component delivered prices would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to establish a separate price increase limit for the item for the remainder of the current performance period. If the contract ceiling will not be raised, or raised sufficiently, to enable continued ordering of the item, the Contracting Officer shall so promptly notify the Contractor in writing.

(e) Examination of records.

The Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause. Such examination may occur during all reasonable times until the end of 3 years after the date of final payment under this contract or the time periods specified in Subpart 4.703 of the Federal Acquisition Regulation (FAR), whichever is earlier.

(f) Final invoice. The Contractor shall include a statement on the final invoice under the basic contract and any option period that the amounts invoiced hereunder have applied all decreases required by this clause.

(g) Disputes. Any dispute arising under this clause shall be determined in accordance with the "Disputes" clause of the contract.

(End of Clause)

52.216-9013 Evaluation of Offers for Indefinite Delivery Type Solicitations.

As prescribed in 16.506-92(a), insert the following provision:

EVALUATION OF OFFERS FOR INDEFINITE DELIVERY TYPE SOLICITATIONS (NOV 2011)

(a) When Federal Acquisition Regulation (FAR) clause 52.216-21 or one of its alternates is contained in this solicitation, this solicitation is for a requirements contract. Offers will be evaluated on the basis of the estimated annual quantity. If quantity increments are offered with various prices, the highest price offered will be used for evaluation.

(b) When FAR clause 52.216-22 is contained in this solicitation, this solicitation is for an Indefinite Quantity contract. Offers will be evaluated on the basis of the estimated annual quantity. Unless (c) is checked below, if quantity increments are offered with various prices, the highest price offered will be used for evaluation. If line items for both DLA direct and customer direct are included in the schedule, offers will be evaluated based on the total extended price for the DLA direct and customer direct line items.

(c) [ ] If checked, and subject to the terms and conditions of the solicitation relating to the evaluation of offers, the following procedures will be followed:

(1) When offers are requested on a quantity increment basis, each contract line-item (CLIN) will be evaluated for price by:

[ ] applying a weighted factor of 18% to the first quantity increment, 36% to the second increment, and 46% to the third increment to arrive at an average weighted unit price.

[ ] applying a weighted factor of 5% to the first quantity increment, 65% to the second increment, 25% to the third increment, and 5% to the fourth increment to arrive at an average weighted unit price.

This average weighted unit price will be multiplied by the estimated annual quantity that may be procured during the contract period to arrive at a total annual evaluated price for each CLIN. If the solicitation provides for separately priced option periods, average weighted prices will be calculated as described above in (1) for each option period and then added to the base contract period total to determine the total estimated price of that line item for the evaluation.

(2) When quantity increment prices are not requested, offers for each CLIN will be evaluated by multiplying the unit price by the estimated quantity that may be procured during the contract period to arrive at total price for each CLIN.

(3) Prices offered must be unit prices only which are clearly stated and which require no further interpretation by the Government to determine the actual offered price. Prices must not be stated as part of a pricing formula or as charges per lot. Unit prices offered must include costs of compliance with all solicitation requirements, with the exception of additive CLINs. For each item of supply for which a price is offered, prices must be offered for each quantity increment and year. Failure to submit proposed prices in accordance with these instructions may result in rejection of the offer.

(4) In the event first article testing and/or technical data are required for any or all of the CLINS, the cost of such testing and data will be added to the appropriate CLIN or prorated based on the ratio of the estimated quantity for each CLIN to the total estimated quantity of the various CLINs covering the same item or national stock number (NSN). In the event an offeror is low only on one CLIN (where there are several CLINs for the same item) (NSN), the cost of testing and data pertaining to that CLIN will be added for evaluation purposes.

(5) [ ] If checked, when free on board (f.o.b.) origin offers are authorized, transportation costs will be considered in evaluation and will be based on the best estimated quantity of each CLIN as specified elsewhere in this solicitation. Carload or truckload rates will be used to evaluate the cost of transportation for each CLIN unless the best estimated quantity would not constitute a carload or truckload. In such case, less than carload (LCL) or less than truckload (LTL) rates will be used for evaluation purposes.

(End of Provision)

Alternate I (APR 2008). As prescribed in 16.506-92(a) Use ALT I when assigning the greatest weight to the quantity increment most likely to be procured for each delivery order. Replace paragraph (c)(1) with:

(c) [ ] If checked, and subject to the terms and conditions of the solicitation relating to the evaluation of offers, the following procedures will be followed:

(1) When offers are requested on a quantity increment basis, each CLIN will be evaluated for price on a weighted basis.

(i) To be considered for award for any item, prices must be offered for each quantity increment cited. Incremental quantities within which it is anticipated orders are most likely to be issued are assigned the highest weights.

(ii) Offers will be evaluated by multiplying the designated weight by the unit price for each order increment and adding the results. Only one award will be made for each line item. Each delivery order will be issued at the price offered for that increment.

(iii) he weighted average evaluated price will be developed for each item using the formula stated in subparagraphs (A) through (C) below.

Increment	Weight	Increment	Weight
A	_____	D	_____
B	_____	E	_____
C	_____	F	_____

(A) The weighted average price (for a given item for a given year) will be arrived at as follows: (Offered unit price) x (increment weight) = weighted unit price (Sum of weighted unit prices) divided by (the sum of the weights) = weighted average price.

(B) (The weighted average price) x (the estimated annual requirement) = estimated annual cost for a given item for a given year.

(C) The sum of the estimated annual costs for a given item for the base year plus any option periods = the total estimated cost for that item.

(End of Provision)

52.216-9014 Area Requirements – Tentative Destinations.
As prescribed in 16.506-93(a), insert the following provision:

AREA REQUIREMENTS – TENTATIVE DESTINATIONS (NOV 2011)

(a) Each item of supply described in this solicitation is identified by a national stock number (NSN). One or more tentative destinations is/are listed under each item of supply. Each tentative destination designates an area of the Contiguous United States, excluding Alaska, consisting of certain states, or other geographical locations, as more specifically described below. If offers are solicited on the basis of delivery free on board (f.o.b.) origin, the tentative destination(s) will be used in the evaluation of offers. Each tentative destination, and the area which it represents, is designated by a separate contract line item number (CLIN).

(b) Except as otherwise provided by this solicitation, the Government shall order its requirements for each item of supply within the geographic area designated by the tentative destination (CLIN).

(c) The tentative destinations (CLINS) for the supplies set forth covered by this solicitation are as follows:

Item Number (CLIN)	Tentative Destination	Area

(Will be indicated in the solicitation)

(End of provision)

52.216-9015 Area Requirements- Contiguous United States (CONUS).
As prescribed in 16.506-93(b), insert the following clause:

AREA REQUIREMENTS – CONTIGUOUS UNITED STATES (CONUS) (NOV 2011)

(a) Each item of supply of this solicitation/contract is identified by a national stock number (NSN) and a contract line item number (CLIN). Each CLIN covers the Government's requirements for item of supply to be delivered within the area of the CONUS (which is the 48 contiguous states and the District of Columbia.)

(b) Except as otherwise provided by this solicitation/contract, the Government shall order all of its requirements for each item of supply identified in the Schedule, for delivery in the area of CONUS.

(End of Clause)

52.216-9019 Area Requirements – East and West of Mississippi.
As prescribed in 16.506-94, insert the following provision:

AREA REQUIREMENTS – EAST AND WEST OF MISSISSIPPI - DLA TROOP SUPPORT CONSTRUCTION AND EQUIPMENT (C&E) (NOV 2011)

(a) Each item of supply in the schedule is designated by a national stock number (NSN). Each NSN is listed under two Contract Line Item Numbers (CLINS), one odd (e.g. CLIN 0003) and one even (e.g. CLIN 0004). The odd numbered CLINS represent the Government's requirements for the item of supply in the area of the contiguous United States East of the Mississippi river. The even numbered CLINS represent the Government's requirements for the item of supply in the area of the contiguous United States west of the Mississippi river, excluding Alaska.

(b) Except as otherwise provided by this solicitation/contract, the Government shall order from the Contractor who is awarded the odd-number CLIN for each item of supply all of its requirements for the CLIN within the contiguous limits of the United States east of the Mississippi river; and, except as otherwise provided by this solicitation/contract, the Government shall order from the Contractor who is awarded the even-number CLIN for each item of supply all of its requirements for the CLIN within the contiguous United States west of the Mississippi river, excluding Alaska.

(c) For ease of identification and evaluation for award, CLINs are assigned Arabic numerals and LOTS, if applicable, are assigned roman numerals. Further, odd numbered CLINS (e.g., 0001, 0003, 0005, etc.) are grouped in odd numbered roman numeral lots, (e.g., I, III, V, etc.) and even numbered CLINS are grouped in even numbered roman numeral lots.

(End of Provision)

52.216-9022 Placement of Task/Delivery Orders Against Multiple Indefinite Delivery Contracts.
As prescribed in 16.505(b)(S-90), insert the following clause:

PLACEMENT OF TASK/DELIVERY ORDERS AGAINST MULTIPLE INDEFINITE DELIVERY CONTRACTS (APR 2014)

(a) In accordance with Federal Acquisition Regulation (FAR) 52.216-27, Single or Multiple Awards, the Government may elect to award multiple contracts under this solicitation. Proposals will be evaluated in accordance with the evaluation provision(s) specified in Section M of this solicitation. In the event of multiple awards, the same evaluation criteria will be used to determine which proposals represent the best value to the Government. The exact number of awards is left to the discretion of the Contracting Officer considering the cost to the Government to administer multiple awards, the recurring nature of the requirement, the need to increase the active production base, and/or the benefits that may be achieved through continued competition.

(b) Task/delivery order placement procedure:

(1) In the event of multiple awards, each awardee will be considered for placement of individual task/delivery orders unless an exception at FAR 16.505(b)(2) applies. However, those awardees subject to

testing and approval requirements, such as, but not limited to, First Article Testing, shall not receive orders until satisfactory completion of any testing requirements. Failure to successfully complete required testing will constitute grounds for contract termination for default by the Government.

(2) The criteria used for evaluating offers for task/delivery orders under this contract are price, past performance, and delivery. Price is of _____ importance than (to) the other factors combined. Past performance will include performance on orders previously placed under the contract and may include performance under other contracts. In evaluating performance under previous orders, consideration will be given to delivery, quality of supplies furnished, and success in implementing any socioeconomic support programs (small business, Defense Logistics Agency (DLA) Mentoring Business Agreement, AbilityOne) which may be applicable to the contract.

(c) Task and delivery order ombudsman: In accordance with FAR 16.505(b)(8), complaints or questions regarding the placement of individual task/delivery orders will be addressed by the competition advocate. Correspondence should be directed to the appropriate supply chain listed below:

For DLA Aviation:
DLA Aviation
Competition Advocate, BPP
8000 Jefferson Davis Highway
Richmond, Virginia 23297-5124

For DLA Troop Support's construction and equipment, clothing and textile, subsistence, and medical supply chains:
DLA Troop Support
Competition Advocate, BPA
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5096

For DLA Land and Maritime:
DLA Land and Maritime
Competition Advocate
Post Office (P.O.) Box 3990
Columbus, Ohio 43218-3990

(End of Clause)

52.216-9026 Pricing of Delivery Orders with Quantity Increments.
As prescribed in 16.506-96(b), insert the following clause:

PRICING OF DELIVERY ORDERS WITH QUANTITY INCREMENTS (NOV 2011)

(a) In pricing delivery orders requiring delivery of one national stock number (NSN) to multiple destinations, the price for each destination will be determined as follows, depending on the box checked:

☐ (1) The quantity range price based on the total quantity of the NSN being procured under each delivery order regardless of destination; or

☐ (2) The total quantity being shipped to all destinations within each zone as defined elsewhere in this contract.

(b) If this solicitation/contract contains a provision for placement of orders through an electronic ordering system, unit prices for those orders will be determined as follows, depending on the box checked:

☐ (1) The total quantity of all requirements for each NSN issued via the electronic ordering system in a single day, regardless of the number of individual orders; or

☐ (2) The quantity of each individual order.

(c) The minimum quantity to be ordered, per destination, will be the minimum ordering range quantity if specified in section B of the solicitation/contract for each item.

(End of Clause)

52.216-9027 Evaluation of Quantity Sensitive and Indefinite Delivery Contracts.
As prescribed in 16.504-90, insert the following clause:

EVALUATION OF QUANTITY SENSITIVE AND INDEFINITE DELIVERY CONTRACTS (SEP 2008)

Prices will be evaluated on a weighted basis. To be considered for award for any item, prices must be offered for each quantity increment cited. Incremental quantities within which it is anticipated orders are most likely to be issued are assigned the highest weights. Offers will be evaluated by multiplying the designated weight by the unit price for each order increment and adding the results. Only one award will be made for each line item. Each delivery order will be issued at the price offered for that increment.

(End of Clause)

52.216-9028 Economic Price Adjustment (EPA) – Labor and Material.
As prescribed in 16.203-4-90(k), use the following clause.

ECONOMIC PRICE ADJUSTMENT LABOR AND MATERIAL (NOV 2011)

To be completed by the Contractor - material proposed for economic price adjustment.
The following types of materials and labor, if applicable, are subject to price adjustment pursuant to Federal Acquisition Regulation (FAR) clause 52.216-4, Economic Price Adjustment (Section I), included herein:
Quantities and types of material
Direct cost
Types of material
Rate of per unit of labor

(End of Clause)

52.216-9029 Economic Price Adjustment (EPA) Lead, Battery Consignment Program.
As prescribed in 16.203-4-90(c), use the following clause.

ECONOMIC PRICE ADJUSTMENT (EPA) LEAD, BATTERY CONSIGNMENT PROGRAM (NOV 2011)

(a) Warranties. The Contractor warrants that --

(1) The prices set forth in the Schedule do not include allowances for any contingency covered by this clause; and

(2) The Contractor further agrees that there will be no price adjustment in the contract unit prices as provided by this clause for any additional costs incurred applicable to items purchased under this contract during the first 12 month contract period, nor prior to the effective date of a contract modification effecting such an adjustment.

(3) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause--

(1) "Unit price subject to adjustment" (UPSA) is the estimated unit lead price per battery. The Contracting Officer will calculate the UPSA at the time of award using the London metals exchange standard lead average price for the most recent month available at the time of award, and the Government estimate of the number of pounds of lead required for each battery. The UPSA shall remain fixed

throughout the life of the contract, including option periods and shall not be affected by any adjustment under this clause. For purposes of this contract, the Government's estimate of the number of pounds of lead required for each battery is as follows:

Contract line-item number (CLIN) National stock number (NSN)	Government estimated pounds of lead / battery
_____	_____
_____	_____

(2) "Total adjusted lead price" (TALP) for each contract year after the first is the price of the lead contained in each battery at the time of adjustment based on the Government estimated pounds and the London metal exchange standard lead monthly average from the tenth month of the preceding contract year.

(3) For purposes of this clause, "contract year" is a 365-day (366-day for leap year) period beginning with and including the first effective day of each contract performance/ordering period.

(4) "Adjustment band" is the minimum percentage increase or decrease in the TALP compared to the UPSA (for the first adjustment) or the previous contract year's TALP (for subsequent adjustments) required in order to warrant a price adjustment. For purposes of this contract, the adjustment band is +___% to -___%. When the percentage change is less than the specified percentages, no price adjustment will be made.

(5) "Adjusted contract unit Price" is the revised unit price of the specified CLIN/NSN, based on the TALP.

(c) Adjustments.

(1) The calculation required for adjustment of the contract item unit prices shall be calculated before the beginning of each contract year after the first. Not more than 60 days and not less than 30 days prior to the end of the current contract year the Contractor will submit the calculated TALP and, if applicable based on the adjustment band, the adjusted increased or decreased contract unit price to the Contracting Officer. The Contractor shall also submit the London metals exchange standard lead prices used in the calculations.

(2) The calculation of the TALP for the next contract year shall be made by multiplying the Government estimated pounds of lead for each battery line item by the average of published final prices per pound for standard lead from the London metals exchange for the tenth month of the contract year in which the calculation is being made.

(3) If the percentage change between the TALP for the next contract year and the UPSA (for the first adjustment) or the current TALP (for subsequent adjustments) is equal to or greater than the percentages established in the adjusting band, then the calculated percentage change (up or down) will be applied to the current contract unit price to arrive at the adjusted contract unit price (correspondingly up or down) for each battery line item, which is applicable in the next contract year in accordance with (4) below.

(4) Any price adjustment under this clause will be effected by a contract modification showing the revised contract unit prices in Section B. The Contracting Officer may unilaterally determine the applicable price adjustment if the data required in paragraph (c)(1) of this clause is not submitted as required in paragraph (c)(1).

(5) Calculations. All calculations shall be rounded to two decimal places.

(6) Upward ceiling on economic price adjustment. The Contractor agrees that the total cumulative increase in any contract unit price pursuant to this economic price adjustment provision shall not exceed ___% (percent) of the original UPSA for each contract year. There is no limitation on the amount of decreases that may be made under this clause.

(7) Revision of market price indicator. In the event –

(i) The applicable market price indicator is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(d) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(e) Disputes. Any dispute arising under this clause shall be determined in accordance with and subject to the "disputes" clause of the contract.

(End of Clause)

52.216-9030 Economic Price Adjustment - Department of Labor Index.

As prescribed in 16.203-4-90(d)(1), use the following clause.

Notes for fill-in text:

(a)(i) Paragraph (b)(1): Enter the appropriate Price Index (ECI, PPI, etc.) code number identification and title in the fill-in. Normally, unadjusted indexes should be used (as opposed to seasonally adjusted indexes). Note: If it is determined that the index to be used will only measure part of the cost of production or material, then that percentage which is measured can be specified. For example, if the component is cotton and the Bureau of Labor Statistics (BLS) index is only judged to measure 50% of the contract price, then this should be specified such as 50% times the base price.

(ii) Paragraph (b)(2): Enter the number of months, or quarters for ECI, for the adjusting price index.

(iii) Paragraph (b)(3): One box must be selected. Enter the number of months, or quarters for ECI, in each fill-in. Note: If final indexes are used, adjust the number of months, or quarters, in the second fill-in to account for first published indexes.

b. Paragraph (c)(1): Enter the number of price adjustments per contract year.

c. Paragraph (d): Enter the appropriate percentage price increase ceiling, considering the length of contract performance, index volatility, and ratio of the cost covered by this clause to the total contract price. Any percentage over 10 percent requires approval by the chief of the contracting office .

d. Paragraph (f)(2): Enter the minimal dollar amount for an adjustment to be made for retroactive price changes. The default is $500.

ECONOMIC PRICE ADJUSTMENT – DEPARTMENT OF LABOR PRICE INDEX (SEP 2015)

(a) Warranties. The Contractor warrants that--

(1) The base unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause –

(1) *"Index"* for the purpose of price adjustment under this clause shall be the Producer Price Index(es) reported in the monthly publication entitled, "Producer Price Indexes", published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics (BLS) for the following code number(s) and title(s):

_____(contracting officer fill-in)_____; or the Employment Cost Index(es) reported in the quarterly publication entitled, "Employment Cost Indexes," published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics (BLS) for the following code number(s) and title(s): _____(contracting officer fill-in)_____.

(2) *"Base index"* is the arithmetic average of the final version of the indexes published for the ____ months, or ____ quarters for ECI, preceding the closing date for receipt of proposals or the date required for receipt of final proposal revisions, if discussions were held.

(3) *"Adjusting index"* shall be the ____ arithmetic average of the [ ] first published or [ ] final version of the index for the ____ months, or ____ quarters for ECI, prior to the month in which the adjusting contract modification is effective.

(4) *"Base unit price"* is the unit price applicable to a quantity of a contract line item established at contract award, exclusive of any price adjustment pursuant to this clause.

(5) *"Adjustment period"* is the period during which a particular adjustment to the unit price under this clause (calculated at the beginning of the adjustment period) will be applicable. The length of each adjustment period in months shall be calculated by dividing 12 by the number of adjustments allowed per year in (c)(1) below.

(c) Adjustments. Prior to the end of each adjustment period, the Contracting Officer shall calculate the adjusting index and any adjusted contract unit price(s) for the new adjustment period, and modify the contract accordingly. Price adjustments pursuant to this clause shall be made by contract modification, issued by the Contracting Officer and will show the base index, the adjusting index, the base unit price, the mathematical calculations, and the changed unit price(s). The price adjustment shall be applicable to orders issued after the effective date of the contract modification establishing the unit price for the adjustment period. The price adjustment(s) for each adjustment period will be based on the percentage change between the base index and the adjusting index for the adjustment period, as applied to the base unit price.

(1) The Government shall be entitled to a price decrease in any particular adjustment period if the adjusting index is less than the base index. There shall be _____ price adjustments per contract year.

(2) Example of adjustment calculation:

Base Index =	109.88*
Adjusting index =	112.72*
Less base index =	109.88
Change to index =	2.84
Divide change to index by base index =	2.84 / 109.88 = .02585 (2.585%)**
Multiply by the base unit price =	$50.00 x .02585 = $1.29*** = Unit Price Adjustment
Adjusted unit price =	$51.29

* In computing the base and adjusting indexes, the resulting figure shall be rounded to the second decimal place.
** This figure shall be rounded to the fourth decimal place.
*** All dollar figures shall be rounded to the nearest cent.

(d) Upward ceiling on economic price adjustment. No upward ceiling shall apply under this economic price adjustment clause, unless the BLS series is based on indices below the six-digit level (an index "below the six-digit level" in BLS usage means an index whose identifier exceeds six-digits). For any BLS series that is below the six-digit level, the following ceiling shall apply: The Contractor agrees that the aggregate of the increases in any contract unit price under this clause shall not exceed ___% (percent) of the original base unit price, except as provided hereafter.

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the adjustment ceiling for any item, the

Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an increase in the index would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(e) Invoices. The prices payable under this contract will be based on the latest adjusted unit price incorporated into the contract as of the date of order.

(f) Retroactive adjustment. Paragraph applies only if "first published index" is selected in paragraph (b)(3) above. The Contractor may request a retroactive adjustment for orders that have been delivered during an adjustment period for which payment has already been made, based on the difference between a higher final revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, and subject to the adjustment ceiling in (d) above and when the following conditions are met:

(1) The request for equitable adjustment clearly establishes that the unit price adjustment for the adjustment period would have been higher if the final revised index had been used, and identifies all invoices and payments to which it is applicable, cites the specific index differences relating to the requested adjustment, and provides a calculation of the total net price adjustment for items delivered during that adjustment period.

(2) No retroactive equitable adjustment shall be made under this clause unless the total dollar change for items delivered is $_____ ($500.00 unless otherwise stated) or more for the applicable adjustment period(s).

(3) The Contractor's written request must be received by the Contracting Officer within 45 days following publication of the final revised index.

The Government shall be entitled to a downward adjustment based on the difference between a lower final revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, subject to the limitation in paragraph (f)(2).

(g) Revision of index. In the event –

(1) Any applicable index is discontinued or its method of derivation is altered substantially; or

(2) The Contracting Officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the index was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(h) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(i) Disputes. Any dispute arising under this clause shall be determined in accordance with and subject to the "Disputes" clause of the contract.

(End of Clause)

52.216-9032 Economic Price Adjustment (EPA) - Established Market Price – Milk

As prescribed in 16.203-4-90(f), use the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE – MILK (FEB 2009)

(a) To the extent that contingent cost increases are provided for by this clause, the Contractor warrants that prices included in the contract do not include any amount to protect against such contingent cost increases.

(b) This EPA clause applies to skim milk and butterfat fluid milk products classified as class I milk only (i.e., whole milk, fat-free milk, low fat milk, light milk, reduced fat milk, milk drinks, eggnog and cultured buttermilk, including any such beverage products that are flavored, cultured, modified with added nonfat milk solids, sterilized, concentrated, or reconstituted. As used in this paragraph, the term concentrated milk means milk that contains not less than 25.5 percent, and not more than 50 percent, total milk solids). Any package sizes other than gallons will be pro-rated based upon the price adjustment per gallon.

(c) Class I milk, as described in this clause, is subject to the regulations of the United States Department of Agriculture under the Federal milk marketing orders.

(d) The economic indicator for the purpose of prospective adjustments to contract prices under this clause shall be the Class I price [(base skim milk price for Class I times 0.965) plus (advanced butterfat pricing factor times 3.5)] in the announcement of advanced prices and pricing factors released by the U.S. Department of Agriculture, Agricultural Marketing Service, dairy programs. The announcement is released on the Friday before the 23rd of the month unless the 23rd of the month falls on a Friday in which case, Friday the 23rd will be the release date.

(e) Price adjustments shall be based on the following:

(1) The "base price" for the purpose of the initial adjustment calculation under this clause shall be the current month price of the economic indicator in effect at (i) the closing date for proposals, if no discussions are held, or (ii) the due date for final proposal revisions, if discussions are held. The "base price" for each subsequent monthly adjustment calculation shall be the adjusting price from the previous month.

(2) The "adjusting price" shall be the monthly price of the economic indicator released following the month used to determine the "base price".

(f) For the purpose of price adjustments pursuant to this clause:

(1) Adjustments will be made in increments of $0.01 per gallon when and only when the change per gallon in either direction is equal to or greater than +/-$0.0100.

(2) Adjustments in excess of $0.0100 per gallon and in excess of $0.0050 for units other than a gallon (i.e., half gallon, quart, pint and half pint) will be rounded to two decimal places to accommodate systems requirements of the subsistence total order receipt electronic system (STORES), as follows:

$0.0050 to $0.0099 = $0.01

$0.0100 to $0.0149 = $0.01

$0.0150 to $0.0199 = $0.02

$0.0200 to $0.0249 = $0.02

$0.0250 to $0.0299 = $0.03, etc.

(3) One hundred weight (CWT) as used in the price of the economic indicator equates to 11.63 gallons of milk deliverable under this contract.

(g) Promptly following release of the announcement of advanced prices and pricing factors applicable to the following month, the Contracting Officer shall compute the adjustments, if any, to the current contract prices for the purpose of determining any revised prices applicable to orders for the next month in the manner detailed below:

(1) Compute adjusting price.

(2) Compute base price.

(3) Compute change from base price.

(4) Convert the price change to price per gallon.

(5) Compute price change for other units other than a gallon.

(6) Round price adjustment(s) from lines (4) and (5) to nearest $0.01 increment (see paragraph (f)(2)).

(7) Compute adjusted contract unit price(s). The following sample price computation is an illustration using January as the base price and February as the adjusting price.

(1) Adjusting price		
Base skim milk price for Class I	$7.72 CWT X 0.965	$ 7.4498
Advanced butterfat pricing factor	$0.9302 LB X 3.5	$ 3.2557
Class I Price		$10.7055
(2) Base price base skim milk		
Price for Class I	$7.72 CWT X 0.965	$ 7.4498
Advanced butterfat pricing factor	$0.9854 LB X 3.5	$ 3.4489

Class I Price	$10.8987
(3) Change from base price per CWT	($0.1932)
(4) Price change per gallon Line (3) divide by 11.63 gallons/cwt	($0.0166)
(5) Price change per half gallon	($0.0083)
Price change per quart	($0.0042)
Price change per pint	($0.0021)
Price change per half pint	($0.0010)
(6) Price adjustment per gallon	($0.02)
Price adjustment per half gallon	($0.01)
Price change per quart	$0.00
Price change per pint	$0.00
Price change per half pint	$0.00
(7) Adjusted contract unit price	
Item per gallon (current unit price - $0.02)	
Item per half gallon (current unit price - $0.01)	
Item per quart (No adjustment)	
Item per pint (No adjustment)	
Item per half pint (No adjustment)	

(h) Revised prices will become effective on the 1st Sunday of the next month and will remain in effect until the next price change occurs.

(i) Price adjustments pursuant to this clause will not be made by separate contract modifications. Adjustments will be implemented by the government as follows, and these actions shall constitute a modification to the contract:

(1) The adjusted contract unit price(s) for the following month will be input in STORES,

(2) A facsimile transmission will be sent to Contractors who do not have electronic access, and

(3) The calculations used to derive the adjusted contract unit price(s) for the following month will be posted on the Internet.

(j) The aggregate of the increases in any contract unit price under this clause shall not exceed 30% of the original contract unit price. The original contract unit price is the price in effect on the date of award. If at any time during the term of the contract, a proposed economic price adjustment will exceed this ceiling, the Government reserves the right to raise this ceiling where changes in market conditions during the contract period support an increase. There is no percentage limitation on the amount of downward adjustments that may be made under this clause.

(k) In the event publication of the economic indicator is discontinued or its method of calculation substantially altered so that it no longer reflects market prices, the parties shall mutually agree upon an appropriate substitute for price adjustment(s) under this clause.

(l) Any dispute arising under this clause is subject to the "disputes" clause of the contract.

(End of Clause)

52.216-9032 Economic price adjustment (EPA) - Established Market Price –Alternate I.

As prescribed in 16.203-4-90(f)(i) use the following clause.

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE ALTERNATE I (FEB 2009)

(a) To the extent that contingent cost increases are provided for by this clause, the Contractor warrants that prices included in the contract do not include any amount to protect against such contingent cost increases.

(b) This EPA clause applies to Class I milk only (i.e., milk used in fluid products, including whole, low fat, extra light, nonfat and half-and-half). Any package sizes other than gallons will be pro-rated based upon the price adjustment per gallon.

(c) Class I milk, as described in this clause, is subject to the regulations of the California Department of Food and Agriculture under the stabilization and marketing plans for market milk.

(d) The economic indicator shall be the "state-wide average CWT Class 1 price based upon production", as released monthly by the California Department of Food and Agriculture dairy marketing branch in the "minimum prices for class 1 market milk f.o.b. processing plant" price letter. (Note: The California Department of Food and Agriculture is not part of the Federal milk marketing order (FMMO) system and maintains its own milk-marketing program).

(e) Price adjustments shall be based on the following:

(1) The "base price" for the purpose of the initial adjustment calculation under this clause shall be the current month price of the economic indicator in effect at

(i) the closing date for proposals, if no discussions are held, or

(ii) the due date for final proposal revisions, if discussions are held.

The "base price" for each subsequent monthly adjustment calculation shall be the adjusting price from the previous month.

(2) The "adjusting price" shall be the monthly price of the economic indicator released following the month used to determine the "base price".

(f) For the purpose of price adjustments pursuant to this clause:

(1) Adjustments will be made in increments of $0.01 per gallon when and only when the change per gallon in either direction is equal to or greater than +/-$0.0100.

(2) Adjustments in excess of $0.0100 per gallon and in excess of $0.0050 for units other than a gallon (i.e., half gallon, quart, pint and half pint) will be rounded to two decimal places to accommodate systems requirements of the subsistence total order receipt electronic system (STORES), as follows:

$0.0050 to $0.0099 = $0.01

$0.0100 to $0.0149 = $0.01

$0.0150 to $0.0199 = $0.02

$0.0200 to $0.0249 = $0.02

$0.0250 to $0.0299 = $0.03, etc.

(3) One hundred weight (CWT) as used in the price of the economic indicator equates to 11.63 gallons of milk deliverable under this contract.

(g) Promptly following release of the minimum price letter applicable to the following month, the Contracting Officer shall compute the adjustments, if any, to the current contract prices for the purpose of determining any revised prices applicable to orders for the next month in the manner detailed below:

(1) Determine adjusting price.

(2) Determine base price.

(3) Compute change from base price.

(4) Convert the price change to price per gallon.

(5) Compute price change for other units other than a gallon.
(6) Round price adjustment(s) from lines (4) and (5) to nearest $0.01 increment (see paragraph (f)(2).
(7) Compute adjusted contract unit price(s).

The following sample price computation is an illustration using January as the base price and February as the adjusting price.

(1)	Adjusting Price	$ 11.75	CWT
(2)	Base Price	$ 11.98	CWT
(3)	Change from Base Price per CWT	$(0.23)	
(4)	Price change per gallon (Line (3) divide by 11.63 gallons/cwt)	$(0.0198)	
(5)	Price change per half gallon	$(0.0099)	
	Price change per quart	$(0.0049)	
	Price change per pint	$(0.0025)	
	Price change per half pint	$(0.0012)	
(6)	Price adjustment per gallon	$ (0.02)	
	Price adjustment per half gallon	$ (0.01)	
	Price adjustment per quart	$ (0.00)	
	Price adjustment per pint	$ (0.00)	
	Price adjustment per half pint	$ (0.00)	
(7)	Adjusted contract unit price		
	Item per gallon (Current Unit Price - $0.02)		
	Item per half gallon (Contract Unit Price - $0.01)		
	Item per quart (No adjustment)		
	Item per pint (No adjustment)		
	Item per half pint (No adjustment)		

(h) Revised prices will become effective on the 1st Sunday of the next month and will remain in effect until the next price change occurs.

(i) Price adjustments pursuant to this clause will not be made by separate contract modifications. Adjustments will be implemented by the Government as follows, and these actions shall constitute a modification to the contract:

(1) The adjusted contract unit price(s) for the following month will be input in STORES,
(2) A facsimile transmission will be sent to Contractors who do not have electronic access, and
(3) The calculations used to derive the adjusted contract unit price(s) for the following month will be posted on the internet.

(j) The aggregate of the increases in any contract unit price under this clause shall not exceed 30% of the original contract unit price. The original contract unit price is the price in effect on the date of award. If at any time during the term of the contract, a proposed economic price adjustment will exceed this ceiling, the Government reserves the right to raise this ceiling where changes in market conditions during the

contract period support an increase There is no percentage limitation on the amount of downward adjustments that may be made under this clause.

(k) In the event publication of the economic indicator is discontinued or its method of calculation substantially altered so that it no longer reflects market prices, the parties shall mutually agree upon an appropriate substitute for price adjustment(s) under this clause.

(l) Any dispute arising under this clause is subject to the "Disputes" clause of the contract.

(End of Clause)

52.216-9032 Economic price adjustment (EPA) - Established Market Price – Milk Alternate II. As prescribed in 16.203-4-90(f)(ii) use the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE – MILK ALTERNATE II (FEB 2009)

(a) To the extent that contingent cost increases are provided for by this clause, the Contractor warrants that prices included in the contract do not include any amount to protect against such contingent cost increases.

(b) This EPA clause applies to skim milk and butterfat fluid milk products classified as Class I milk only (i.e., whole milk, fat-free milk, low fat milk, light milk, reduced fat milk, milk drinks, eggnog and cultured buttermilk, including any such beverage products that are flavored, cultured, modified with added nonfat milk solids, sterilized, concentrated, or reconstituted. As used in this paragraph, the term concentrated milk means milk that contains not less than 25.5 percent, and not more than 50 percent, total milk solids). Any package sizes other than gallons will be pro-rated based upon the price adjustment per gallon.

(c) Class I milk, as described in this clause, is subject to the regulations of the United States Department of Agriculture under the Federal milk marketing orders.

(d) The economic indicator for the purpose of prospective adjustments to contract prices under this clause shall be the Class I price [(base skim milk price for Class I times 0.965) plus (advanced butterfat pricing factor times 3.5)] in the announcement of advanced prices and pricing factors released by the U.S. Department of Agriculture, Agricultural Marketing Service, Dairy Programs. The announcement is released on the Friday before the 23rd of the month unless the 23rd of the month falls on a Friday in which case, Friday the 23rd will be the release date.

(e) Price adjustments shall be based on the following:

(1) The "base price" for the purpose of the initial adjustment calculation under this clause shall be the current month price of the economic indicator in effect at

(i) the closing date for proposals, if no discussions are held, or

(ii) the due date for final proposal revisions, if discussions are held.

The "base price" for each subsequent monthly adjustment calculation shall be the adjusting price from the previous month.

(2) The "adjusting price" shall be the monthly price of the economic indicator released following the month used to determine the "base price".

(f) For the purpose of price adjustments pursuant to this clause:

(1) Adjustments will be made when and only when the change per gallon in either direction is equal to or greater than +/-$0.0100.

(2) Adjustments will be rounded to two decimal places to accommodate systems requirements of the subsistence total order receipt electronic system (STORES).

(3) One hundred weight (CWT) as used in the price of the economic indicator equates to 11.63 gallons of milk deliverable under this contract.

(g) Promptly following release of the Announcement of Advanced Prices and Pricing Factors applicable to the following month, the Contracting Officer shall compute the adjustments, if any, to the current contract prices for the purpose of determining any revised prices applicable to orders for the next month in the manner detailed below:

(1) Compute adjusting price.
(2) Compute base price.
(3) Compute change from base price.
(4) Convert the price change to price per gallon.
(5) Compute price change for a box of 27 half pints (1.6875 gallons).
(6) ompute adjusted contract unit price(s).

The following sample price computation is an illustration using January as the base price and February as the adjusting price.

(1) Adjusting price		
Base skim milk price for Class I	$7.72 CWT X 0.965	$ 7.4498
Advanced butterfat pricing factor	$0.9302 LB X 3.5	$ 3.2557
Class I Price		$10.7055
(2) Base price		
Base skim milk price for Class I	$7.72 CWT X 0.965	$ 7.4498
Advanced butterfat pricing factor	$0.9854 LB X 3.5	$ 3.4489
Class I Price		$10.8987
(3) Change from base price per CWT		($0.1932)
(4) Price change per gallon Line (3) divide by 11.63 gallons/cwt		($0.0166)
(5) Price change per box		
($0.0166) x 1.6875 gallons		($0.0280)
Rounded to two decimals		($0.03)
(6) Adjusted contract unit price		
Current unit price - $0.03		

(h) Revised prices will become effective on the 1st Sunday of the next month and will remain in effect until the next price change occurs.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit prices.

(j) Payment on this contract shall be at the current contract price, which shall change upon issuance of an adjusting modification.

(k) The aggregate of the increases in any contract unit price under this clause shall not exceed 30% of the original contract unit price. The original contract unit price is the price in effect on the date of award. If at any time during the term of the contract, a proposed economic price adjustment will exceed this ceiling, the Government reserves the right to raise this ceiling where changes in market conditions during the contract period support an increase. There is no percentage limitation on the amount of downward adjustments that may be made under this clause.

(l) In the event publication of the economic indicator is discontinued or its method of calculation substantially altered so that it no longer reflects market prices, the parties shall mutually agree upon an appropriate substitute for price adjustment(s) under this clause.

(m) Any dispute arising under this clause is subject to the "Disputes" clause of the contract.

(End of Clause)

52.216-9032 Economic price adjustment (EPA) - Established Market Price – Milk Alternate III. As prescribed in 16.203-4-90(f)(iii) use the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE – MILK ALTERNATE III (FEB 2009)

(a) To the extent that contingent cost increases are provided for by this clause, the Contractor warrants that prices included in the contract do not include any amount to protect against such contingent cost increases.

(b) This EPA clause applies to Class I milk only (i.e., milk used in fluid products, including whole, low fat, extra light, nonfat and half-and-half). Any package sizes other than gallons will be pro-rated based upon the price adjustment per gallon.

(c) Class I milk, as described in this clause, is subject to the regulations of the California Department of Food and Agriculture under the stabilization and marketing plans for market milk.

(d) The economic indicator shall be the "State-Wide Average CWT Class 1 Price Based Upon Production", as released monthly by the California Department of Food and Agriculture dairy marketing branch in the "Minimum Prices for Class 1 Market Milk F.O.B. Processing Plant" price letter. (Note: The California Department of Food and Agriculture is not part of the federal milk marketing order (FMMO) system and maintains its own milk-marketing program).

(e) Price adjustments shall be based on the following:

(1) The "base price" for the purpose of the initial adjustment calculation under this clause shall be the current month price of the economic indicator in effect at

(i) the closing date for proposals, if no discussions are held, or

(ii) the due date for final proposal revisions, if discussions are held.

The "base price" for each subsequent monthly adjustment calculation shall be the adjusting price from the previous month.

(2) The "adjusting price" shall be the monthly price of the economic indicator released following the month used to determine the "base price".

(f) For the purpose of price adjustments pursuant to this clause:

(1) Adjustments will be made when and only when the change per gallon in either direction is equal to or greater than +/-$0.0100.

(2) Adjustments will be rounded to two decimal places to accommodate systems requirements of the subsistence total order receipt electronic system (STORES).

(3) One hundred weight (CWT) as used in the price of the economic indicator equates to 11.63 gallons of milk deliverable under this contract.

(g) Promptly following release of the minimum price letter applicable to the following month, the Contracting Officer shall compute the adjustments, if any, to the current contract prices for the purpose of determining any revised prices applicable to orders for the next month in the manner detailed below:

(1) Determine adjusting price.

(2) Determine base price.

(3) Compute change from base price.

(4) Convert the price change to price per gallon.

(5) Compute price change for a box of 27 half pints (1.6875 gallons).
(6) Compute adjusted contract unit price(s).

The following sample price computation is an illustration using January as the base price and February as the adjusting price.

(1)	Adjusting price	$11.75	CWT
(2)	Base price	$11.98	CWT
(3)	Change from base price per CWT	($0.23)	
(4)	Price change per gallon (Line (3) divide by 11.63 gallons/cwt)	($0.0198)	
(5)	Price change per box ($0.0198) x 1.6875 gallons Rounded to two decimals	 ($0.0334) ($0.03)	
(6)	Adjusted contract unit price Current unit price - $0.03		

(h) Revised prices will become effective on the 1st Sunday of the next month and will remain in effect until the next price change occurs.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit prices.

(j) Payment on this contract shall be at the current contract price, which shall change upon issuance of an adjusting modification.

(k) The aggregate of the increases in any contract unit price under this clause shall not exceed 30% of the original contract unit price. The original contract unit price is the price in effect on the date of award. If at any time during the term of the contract, a proposed economic price adjustment will exceed this ceiling, the Government reserves the right to raise this ceiling where changes in market conditions during the contract period support an increase There is no percentage limitation on the amount of downward adjustments that may be made under this clause.

(l) In the event publication of the economic indicator is discontinued or its method of calculation substantially altered so that it no longer reflects market prices, the parties shall mutually agree upon an appropriate substitute for price adjustment(s) under this clause.

(m) Any dispute arising under this clause is subject to the “disputes” clause of the contract.

(End of Clause)

52.216-9033 Economic Price Adjustment (EPA) - Established Prices.

As prescribed in 16.203-4-90(g), use the following clause. Complete paragraph (c)(1) by entering the appropriate percentage price increase ceiling, considering the length of contract performance. Any percentage over 10 percent requires approval by the chief of the contracting office.

ECONOMIC PRICE ADJUSTMENT – ESTABLISHED PRICES (FEB 2009)

(a) The Contractor warrants that the unit price stated in the Schedule for _____ [offeror insert Schedule line item number] is not in excess of the Contractor’s applicable established price in effect on the contract date for like quantities of the same item. The term “unit price” excludes any part of the price

directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that --

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the Contractor.

(b) The Contractor shall promptly notify the Contracting Officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items delivered on and after the effective date of the decrease in the Contractor's established price, and this contract shall be modified accordingly.

(c) If the Contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the Contractor's written request to the Contracting Officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this clause shall not exceed ___ percent of the original contract unit price.

(2) The increased contract unit price shall be effective –

(i) On the effective date of the increase in the applicable established price if the Contracting Officer receives the Contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the Contracting Officer receives the request.

(3) The increased contract unit price shall not apply to quantities scheduled under the contract for delivery before the effective date of the increased contract unit price, unless failure to deliver before that date results from causes beyond the control and without the fault or negligence of the Contractor, within the meaning of the default clause.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the Contracting Officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the Contractor's written request, the Contracting Officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase, except as follows.

(i) The Contractor may, after that time, deliver any items that were completed or in the process of manufacture at the time of receipt of the cancellation notice, provided the Contractor certifies and notifies the Contracting Officer of such items within 10 days after the Contractor receives the cancellation notice.

(ii) The Government shall pay for those items at the contract unit price increased to the extent provided by paragraph (d) of this clause.

(iii) Any standard steel supply item shall be deemed to be in the process of manufacture when the steel for that item is in the state of processing after the beginning of the furnace melt.

(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this clause, and thereafter if there is no cancellation, the Contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

(e) The Contractor shall certify on each invoice that each unit price stated therein reflects all decreases required by this clause and shall certify on the final invoice that all price decreases required by this clause have been applied in the manner required herein.

(f) Disputes. Any dispute arising under this clause shall be determined in accordance with the Disputes clause of the contract.

(End of Clause)

52.216-9034 Economic Price Adjustment – Published Market Price – Silver.
As prescribed in 16.203-4-90(h), use the following clause.

ECONOMIC PRICE ADJUSTMENT – PUBLISHED MARKET PRICE – SILVER (FEB 2009)

(a) Warranties. The Contractor warrants that--

(1) The base unit prices set forth in the schedule do not include allowances for any portion of the contingency covered by this clause;

(2) ____ ounces of silver are contained in each unit offered which will be the basis for price adjustment under this clause; and

(3) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause:

(1) "Unit price" means the unit price offered, as set out in the contract schedule.

(2) "Base market price" means the sum of one-half the simple average of the Englehard industrial bullion quotations, plus one-half the simple average of the Handy and Harman base price quotations, for silver on the New York market over the fifteen working days immediately preceding bid opening, or the date of award for negotiated contracts, as reported in the Wall Street Journal. If the quotation for silver on a particular day is set out as a range of prices, the average of these prices shall be considered the price for that day.

(3) "Adjusting market price" means the sum of one-half the simple average of the Englehard industrial bullion quotations, plus one-half the Handy and Harman Base Price Quotations, for silver on the New York market, as reported in the Wall Street Journal, for the fifteen working days prior to a delivery date specified in the contract schedule or delivery order. If the quotation for silver on a particular day is set out as a range of prices, the average of these prices shall be considered the price for that day.

(4) "Weight factor" means the amount of silver contained in each unit delivered. For purposes of this definition, the amount of silver per unit will be deemed to be the number of troy ounces stated in paragraph (a)(2).

(5) "Delivery date" means the date originally specified in the contract or delivery order plus any extension attributable solely to reasons determined by the Contracting Officer to be excusable within the meaning of the "Default" clause. It does not include any extension of the delivery schedule, however accomplished, except for such excusable causes.

(c) Adjustments.

(1) Notification. The Contractor shall promptly notify the Contracting Officer in writing, with accompanying calculations, upon a net change (increase or decrease) of $500 or more in the price of the items scheduled for delivery under an order due to an increase or decrease in the price of silver, as calculated in accordance with (c)(2) below. No adjustment will be made under this clause unless the calculated price change for an individual order resulting from change in the price of silver is $500 or more.

(2) Calculations. All calculations shall be rounded to two decimal places. The price adjustment will be calculated by computing, as a dollar amount per ounce of silver, the difference (increase or decrease) between the base market price and the adjusting market price, multiplying the result by the number of ounces of silver per unit specified in (a)(2) above, and adding or subtracting (as appropriate) that result to/from the unit price, resulting in the adjusted contract unit price applicable to that order.

(3) Modification. Price adjustments under this clause shall be effected by contract modifications showing the base market price, calculation of the adjusting market price, the base unit price, and the calculations used to arrive at the adjusted contract unit price(s).

(4) Exceptions.

(i) No adjustment is allowed based on Contractor requests for a price increase that are submitted more than sixty days after the delivery date of items for which a price increase is requested.

(ii) There will be no adjustment for increases which occur after the required delivery date unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of the Default clause of this contract.

(5) Invoices. The prices payable for a particular delivery under this contract will be the contract unit price for the items supplied plus the product of the net difference between the applicable adjusting market price and the base market price times the weight factor times the number of units delivered.

(d) Upward ceiling on economic price adjustment. The Contractor agrees that the total increase in any contract unit price pursuant to these economic price adjustment provisions shall not exceed____% of the original base unit price in any applicable contract year (whether a single year or multiyear program), except as provided hereafter:

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The contract ceiling price means the unit price limitation stated in (d). The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the market price would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(e) Revision of market price indicator. In the event --

(1) A market price is discontinued or its method of derivation is altered substantially; or

(2) The Contracting Officer determines that a market price consistently and substantially fails to reflect market conditions,

The parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(f) Options. If this contract contains a term (period) option provision which is exercised, the contract price(s) for each succeeding term shall be subject to adjustment pursuant to this EPA clause. The contract price(s) in effect on the last day of the term or period immediately preceding the period for which the option has been exercised will be the contract price(s) on the first day of the succeeding option period.

(g) Disputes. Any dispute arising under this clause shall be determined in accordance with the Disputes clause of the contract.

(h) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(End of Clause)

52.216-9035 Economic Price Adjustment – Published Market Price – Lead.
As prescribed in 16.203-4-90(i), use the following clause.

ECONOMIC PRICE ADJUSTMENT – PUBLISHED MARKET PRICE – LEAD (FEB 2009)

(a) arranties. The Contractor warrants that—

(1) The base unit prices set forth in the schedule do not include allowances for any portion of the contingency covered by this clause;

(2) ___ pounds of lead are contained in each unit offered which will be the basis for price adjustment under this clause; and

(3) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause:

(1) "Unit price" means the unit price offered, as set out in the contract schedule.

(2) "Base market price" means the average of the prices for standard lead as reported on the London metals exchange, over the fifteen working days immediately preceding bid opening or the day set for receipt of proposals. If the quotation for lead on a particular day is set out as a range of prices, the average of these prices shall be considered the price for that day.

(3) "Adjusting market price" means the average price of standard lead as reported on the London metals exchange, for the fifteen working days prior to a delivery date specified in the contract schedule or delivery order.

(4) "Weight factor" means the amount of lead contained in each unit delivered. For purposes of this definition, the amount of lead per unit will be deemed to be the number of pounds stated in (a)(2) of this clause, rounded off to the nearest hundredth of a pound.

(5) "Delivery date" means the date originally specified in the contract or delivery order plus any extension attributable solely to reasons determined by the Contracting Officer to be excusable within the meaning of the "default" clause. It does not include any extension of the delivery schedule, however accomplished, except for such excusable causes

(c) Adjustments.

(1) Notification. The Contractor shall promptly notify the Contracting Officer in writing, with accompanying calculations, upon a net change (increase or decrease) of at least $500 in the price of the items scheduled for delivery. No adjustment will be made under this clause unless the total change in the contract amount is $500 or more.

(2) Calculations. All calculations shall be rounded to two decimal places.

(3) Modification. Price adjustments under this clause shall be effected by contract modifications showing the base market price, calculation of the adjusting market price, the base unit price, and the calculations used to arrive at the adjusted contract unit price(s).

(4) Exceptions.

(i) The Contractor claims for a price increase that are submitted more than sixty days after the delivery date of items for which a price adjustment under this clause is requested will not be honored.

(ii) There will be no adjustment for increases which occur after the required delivery date unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of the default clause of this contract.

(5) Invoices. The prices payable for a particular delivery under this contract will be the contract unit price for the items supplied and the product of the net difference (adjusting market price less the base market price) times the weight factor, multiplied by the number of units delivered.

(d) The Contractor agrees that the total increase in any contract unit price pursuant to these economic price adjustment provisions shall not exceed ____% of the original base unit price in any applicable contract year (whether a single year or multiyear program), except as provided hereafter:

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the market price would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(e) Revision of market price indicator. In the event –

(1) A market price is discontinued or its method of derivation is altered substantially; or

(2) The Contracting Officer determines that a market price consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(f) Options. If this contract contains a term (period) option provision which is exercised, the contract price(s) for each succeeding term shall be subject to adjustment pursuant to this EPA clause. The contract price(s) in effect on the last day of the term or period immediately preceding the period for which the option has been exercised will be the contract price(s) on the first day of the succeeding option period.

(g) Disputes. Any dispute arising under this clause shall be determined in accordance with and subject to the "disputes" clause of the contract.

(h) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(End of Clause)

52.216-9036 Evaluation of Offers – Economic Price Adjustment.
As prescribed in 16.203-4-90(j)(i), use the following clause.

EVALUATION OF OFFERS - ECONOMIC PRICE ADJUSTMENT (FEB 2009)

(a) Offers in response to solicitations will be evaluated without adding any amount for economic price adjustment unless the economic price adjustment (EPA) clause included in the solicitation provides for offerors to specify the portion of the contract price subject to EPA. In this case, the offered price(s) subject to the EPA clause will be adjusted to the maximum possible extent under the EPA using the price ceiling limitation provision of such clause for the basic contract plus all options covered by the evaluation. The resulting price(s) will be used for evaluation of offers.

(b) If a successful offeror stipulates a lower maximum increase limitation then that included in the solicitation, it will be incorporated into the resulting contract.

(c) Offers which (1) increase the maximum ceiling percentage specified in the solicitation, (2) stipulate a maximum decrease limit, or (3) delete or otherwise alter the economic price adjustment clause, will not be considered for award, unless the Contracting Officer determines that award on such basis is in the best interests of the Government and all Offerors are afforded an opportunity to offer on the same basis.

(End of Clause)

52.216-9037 Evaluation of Bids – Economic Price Adjustment.
As prescribed in 16.203-4-90(j)(ii), use the following clause.

EVALUATION OF BIDS - ECONOMIC PRICE ADJUSTMENT (NOV 2011)

(a) Bids will be evaluated without adding any amount for economic price adjustment.

(b) If the bid selected for award stipulates an economic price adjustment ceiling lower than that included in the solicitation, it will be incorporated into the resulting contract.

(c) Bids will be rejected as nonresponsive if they:

(1) increase the maximum percentage stipulated,

(2) stipulate a maximum decrease limit or
(3) delete or otherwise alter the economic price adjustment clause.

(End of Clause)

52.216-9038 Price Redetermination – Prospective (DEVIATION - PERMANENT).
As prescribed in 16.205-4-90(a), insert the following clause:

PRICE REDETERMINATION PROSPECTIVE (DEVIATION - PERMANENT) (DEC 2012)

(a) General. The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this clause, except that --

(1) The prices for supplies ordered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and

(2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) Definition. "Costs," as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Price redetermination periods. For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the date of the contract to _____, (see note (1)) and the second and each succeeding period shall extend for _____ [insert appropriate number] months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) Data submission.

(1) Not more than _____ nor less than _____ (see note (2)) days before the end of each redetermination period, except the last, the Contractor shall submit --

(i) Proposed prices for supplies that may be ordered or services that may be performed in the next succeeding period, and –

(A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;

(B) Sufficient data to support the accuracy and reliability of this estimate; and

(C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and

(ii) A statement of all costs incurred in performing this contract through the end of the ___ month (see Note (3) before the submission of proposed prices in the format of Table 15-2, FAR 15.408 (or in any other form on which the parties may agree), with sufficient supporting data to disclose unit costs and cost trends for --

(A) Supplies ordered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(2) The Contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded –

(i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for --

(A) Supplies ordered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

(C) Any other relevant data that the Contracting Officer may reasonably require.

(3) If the Contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the Contracting Officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the Interest clause.

(e) Price redetermination. Upon the Contracting Officer's receipt of the data required by paragraph (d) of this section, the Contracting Officer and the Contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be ordered or services that may be performed in the period following the effective date of price redetermination.

(f) Contract modifications. Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, stating the redetermined prices that apply during the redetermination period.

(g) Adjusting billing prices. Pending execution of the contract modification (see paragraph (f) of this section), the Contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the Contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.

(h) Quarterly limitation on payments statement. This paragraph (h) applies only during periods for which firm prices have not been established.

(1) Within 45 days after the end of the quarter of the Contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the Contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

(i) The total contract price of all supplies or services ordered and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies or services ordered and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies or services ordered and accepted by the Government and for which final prices have not been established; and

(iv) The total amount of all invoices or vouchers for supplies or services ordered and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the Contractor's price-redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due the Contractor, as

computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the Contractor shall immediately refund or credit to the Government the amount of this excess. The Contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the Contractor under 26 U.S.C.1481 and by the amount of previous refunds or credits affected under this clause. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the Progress Payments clause. The Contractor shall provide complete details to support any claimed reductions in refunds.

(4) If the Contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the Contractor, the Contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(i) Subcontracts. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(j) Disagreements. If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period within 60 days (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the Contracting Officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this clause.

(k) Termination. If this contract is terminated, prices shall continue to be established in accordance with this clause for

(1) completed supplies and services accepted by the Government and

(2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses of this contract.

(End of Clause)

Notes:

(1) Express in terms of units ordered, or as a date; but in either case the period should end on the last day of a month.

(2) Insert the numbers of days chosen so that the Contractor's submission will be late enough to reflect recent cost experience (taking into account the Contractor's accounting system), but early enough to permit review, audit (if necessary), and negotiation before the start of the prospective period.

(3) Insert "first," except that "second" may be inserted if necessary to achieve compatibility with the Contractor's accounting system.

52.216-9039 Economic Price Adjustment – Standard Supplies - DEVIATION.

As prescribed in 16.203-4(a)(1)(S-91), insert the following

ECONOMIC PRICE ADJUSTMENT – STANDARD SUPPLIES – DEVIATION (JAN 2009)

(a) The Contractor warrants that the unit price stated in the schedule for _____ [offeror insert schedule line item number] is not in excess of the Contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that --

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the Contractor.

(b) The Contractor shall promptly notify the Contracting Officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items ordered on and after the effective date of the decrease in the Contractor's established price, and this contract shall be modified accordingly.

(c) If the Contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the Contractor's written request to the Contracting Officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this clause shall not exceed 10 percent of the contract unit price [at the outset of each performance/ordering period].

(2) The increased contract unit price shall be effective --

(i) On the effective date of the increase in the applicable established price if the Contracting Officer receives the Contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the Contracting Officer receives the request.

(3) The increased contract unit price shall not apply to quantities [ordered] under the contract before the effective date of the increased contract unit price.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the Contracting Officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the Contractor's written request, the Contracting Officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase.

(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this clause, and thereafter if there is no cancellation, the Contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

(End of Clause)

52.216-9040 Economic Price Adjustment – Established Catalog Price Two Upward Adjustments Per Year Open Season E-CAT Solicitation.

As prescribed in 16.203-4(a)(2)(90)(i), 16.203-4(a)(2)(96)(ii), and 16.203-4(a)(2)(97)(iii), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – ESTABLISHED CATALOG PRICE TWO UPWARD ADJUSTMENTS PER YEAR OPEN SEASON E-CAT SOLICITATION (MAR 2016)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Contractor's list prices and certain Federal Supply Schedule (FSS) unit prices. The clause also provides for voluntary price reductions (VPR) in the form of "specials" or "discounts".

(b) Definitions:

(1) Contract unit price: The price per unit of issue comprised of the "list price" and the applicable "discount". The contract unit price is determined by reducing the applicable list price by the appropriate discount. Proposed revised prices are loaded by the Contractor into an E-CAT file and are forwarded electronically to the Government. The Contractor shall also separately submit (in Excel spreadsheet or ACCESS database format) the additional information as required in paragraphs (g) and (h) below in order

for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered unit prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT system. (Contract unit prices, list prices, and discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT system to the Contractor or any customer are the delivered unit prices which are the contract unit prices plus the DLA Troop Support administrative fee percentage (in effect at that time) charged customers ordering under this contract.)

(2) Discount: The percentage reduction off the list price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. These discounts are in addition to any standard trade discounts in the Contractor's established commercial catalog/price list. (Contractors may offer larger discounts and/or reduced list prices at any time.)

(3) List price: The established catalog unit prices of the items. In order for a "list price" to meet the criteria as an established catalog price, it must meet the definition in (c)(1) below.

(4) Voluntary price reduction (VPR): See paragraph (l).

(c) Established catalog unit price.

(1) The term "established catalog unit price", as used in this clause, means a unit price that (i) is a catalog price for a commercial item sold in substantial quantities to the general public and (ii) is the net price after applying any standard trade discounts offered by the Contractor.

(2) Unless otherwise specified, all reference to the terms "FSS unit price"(s) or "FSS price(s)" as used in this clause, shall be the prices appearing in the Contractor's current Federal Supply Schedule for the same items under this contract.

(d) The offeror/Contractor warrants that (1) the list prices and the subsequent revisions thereto are the established catalog unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these list prices do not include allowances for any portion of the contingency covered by this clause. The offeror/Contractor also warrants that any contract unit prices determined using FSS unit prices do not include allowances for any portion of the contingency covered by this clause.

(e) Prior to award, the Contractor must furnish:

(1) their current established catalog/price list, offered discounts, proposed contract unit prices; and

(2) a copy of their current FSS's, FSS unit prices, and the FSS contract expiration dates applicable to items offered as well as any other information required by the Contracting Officer.

(f) Upon acceptance by the Government, the award unit prices will be established at the list prices minus the offered discounts provided the resulting contract unit prices do not exceed the current FSS unit price for the same item. Accordingly, offers are cautioned to propose discounts which, when applied to the list prices, will not exceed FSS unit prices.

(g) Downward adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in either 1) list prices or 2) FSS unit prices when the reduction results in a revised FSS Price which is now lower than the current contract unit price. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in list price and any FSS unit price reduction which results in an FSS unit price which is now lower than the current contract unit price. If the offered price decrease is based upon a reduction in list price or FSS price, the Contractor shall propose a lower contract unit price taking into consideration the benchmarks in paragraphs (g)(2) and (3) below.
The Contractor must furnish a copy of the revised catalog/price list or FSS unit price as soon as it is available. Also, for reductions in list prices, the Contractor must provide a copy of the "E-CAT file" at least 60 days, unless otherwise specified in the contract, prior to the date when the reduced list prices take

effect. For reductions in FSS, the Contractor shall provide a copy of the E-CAT file at least 30 days, unless otherwise specified in the contract, prior to the date the reduced FSS unit price takes effect. In addition to the "E-CAT file" and any other information required by the Contracting Officer, the Contractor shall also separately furnish, within the appropriate timeframe above (i.e., at least 60 days, unless otherwise specified in the contract, for a reduction in list price; at least 30 days, unless otherwise specified in the contract, for a reduction in FSS), an Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in contract unit price the appropriate information below:

(i) For list price or FSS changes: The item number; e.g., 0001AA.

(ii) For list price or FSS changes: The supplier (catalog); e.g., ABC Imaging, Inc.

(iii) For list price or FSS changes: The product name/nomenclature; e.g., high speed handpiece.

(iv) For list price or FSS changes: part number; HIH 2000

(v) For list price or FSS changes: The list price upon which the current contract unit price is based.

(vi) For list price or FSS changes: The applicable contract discount used as a basis for determining the current contract unit price.

(vii) For list price or FSS changes: The contract unit price currently in effect.

(viii) For list price changes: The reduced list price.

(ix) For list price or FSS changes: The applicable contract discount or larger contract discount now offered.

(x) For list price or FSS changes: The reduced contract unit price now offered.

(xi) For list price changes: The percentage decrease in list price from the list price which determined the current contract unit price to the new, lower list price.

(xii) For list price changes: The percentage change in contract unit price from the current contract unit price to the new lower contract unit price now offered.

(xiii) For FSS changes: The current FSS unit price which is about to expire and the new reduced FSS unit price which will replace it and triggered this contract unit price reduction.

(xiv) For list price changes: For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS unit price(s) for the same item.

(2) Reductions in list price(s). f the offered price decrease is based upon a reduction in the list price, the appropriate discount or larger discount now offered will be applied to each reduced list price to determine the adjusted contract unit price provided the proposed lower contract unit price does not exceed the lower of the following two benchmarks:

(i) The offered reduction in contract unit price on a percentage basis must be at least equal to the percentage reduction from the list price currently in effect under the contract to the new lower list price; i.e., the current contract unit price must, as a minimum, be reduced by the percentage decrease in list price.

(ii) The new proposed lower contract unit price shall not exceed the current FSS unit price for the same item.

(3) FSS price reductions. If the offered price decrease is based upon a reduction in the FSS price, the proposed lower contract unit price shall not exceed the following benchmark: The new proposed lower contract unit price shall not exceed the revised lower FSS price for the same item.

(4) If the proposed contract unit price exceeds the lower of the appropriate list price benchmarks (for reductions based upon reduced list prices) or the FSS price benchmark (for reductions based upon reduced FSS prices), the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a contract unit price that does not exceed the appropriate benchmarks.

(i) All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the list or FSS price(s) and discount(s) which make up these prices.)

(ii) If an agreement cannot be reached the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below. If the proposed contract unit price does not exceed the lowest of the appropriate list price or FSS price benchmarks, it will be determined fair and reasonable.

(iii) Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the reduced Contract unit prices. These reduced Contract unit prices shall apply to those items ordered on or after the date when these prices appear in the contract electronic catalog residing in the E-CAT system. (Revisions will not be added to the electronic catalog prior to date they take effect).

(iv) If the Contractor fails to notify the Contracting Officer of any list price or FSS price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Contractor's established list or FSS prices.

(h) Upward Adjustments.

(1) The Contractor is authorized to submit a maximum of two requests for upward adjustment for each contract year. Each request for upward price adjustment must be based upon increases in list prices only. They may be submitted from, for the first contract year, 30 days after award to sixty days prior to the end of that year and, for each subsequent contract year, from 30 days after the anniversary date of the contract award to 60 days prior to the end of each contract year. The Contractor shall propose a contract unit price taking into consideration the benchmarks in paragraph (g)(2). The request shall include a copy of the revised catalog/price list, the "E-CAT file" and the following for each item with a proposed increase in contract unit price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The supplier(catalog); e.g., ABC Dental, Inc.

(C) The product name/nomenclature; e.g., high speed handpiece.

(D) The part number; e.g., HIH2000.

(E) For the initial year, the list price that determined the award unit price, the applicable contract discount, and the award unit price. For all subsequent contract years, the list price that determined the highest contract unit price that was in effect at any time during the preceding contract year, the applicable discount, and the highest contract unit price that was in effect during the preceding contract year.

(F) The increased list price and its effective date, the applicable contract discount or larger contract discount now offered, and the proposed higher contract unit price.

(G) For the initial year, the percentage change from the list price that determined the award unit price to the new higher list price. For all subsequent contract years, the percentage change from the list price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher list price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed contract unit price. for all subsequent contract years, the percentage change from the highest contract unit price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS unit price(s) for the same item.

(J) Any other information required by the Contracting Officer.

(2) Benchmarks. If any list price increases, and the increase is authorized under this clause, the Contract unit prices for any corresponding items ordered after the increase takes effect in the E-CAT system shall be determined using the increased list price and either the applicable discount originally awarded or any larger discount now offered that applies to the affected item. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lowest of the following three benchmarks:

(i) For the initial year of the contract, the proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the list price that determined the award unit price to the new higher list price. For all subsequent contract years, the proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the list price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher list price.

(ii) Any proposed higher contract unit price shall not exceed the current FSS unit price for the same item.

(iii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial contract year, contract unit price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher contract unit price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent contract years, contract unit price increases shall be limited to the following annual ceiling(s) applied to the highest contract unit price in effect during the preceding contract year for the same item (i.e., any proposed higher contract unit price cannot exceed the highest contract unit price in effect during the preceding contract year plus the annual ceiling.)

Annual ceiling, all items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. Upward price adjustments shall be effective once they appear in the contract electronic catalog residing in the E-CAT system. These updates will take place within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased list price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed contract unit price exceeds the lowest of the three benchmarks above).

(i) In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable. If necessary, the Contracting Officer shall conduct discussions with the Contractor to negotiate a price reduction which results in a contract unit price that does not exceed the lowest of the three benchmarks. When discussions have concluded and an agreement which results in fair and reasonable prices is reached, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the list price and discount which makes up each agreed-to price.) Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT system to include the increased contract unit prices.

(ii) If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System. (This procedure applies to only those items whose prices the Contracting Officer is unable to determine fair and reasonable within the 60-day period the Government has to evaluate prices and update the E-CAT System. The remainder of the items whose price increases are determined fair and reasonable, shall be entered into the E-CAT system within the prescribed period.) In addition, the Contracting Officer may

also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (h)(2)(iii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in contract unit price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower contract unit price, or delete the item(s) from the contract electronic catalog residing in the E-CAT system. In no case may the increase in Contract Unit Price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a contract unit price that exceeds the other benchmarks.

(5) Any increased list prices shall not be used to compute contract unit prices for delivery orders issued before the date the adjusted contract unit prices take effect under the contract (i.e., the date they appear in the contract electronic catalog residing in the E-CAT system).

(6) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (g)(4) and (h)(3)and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the contract unit price in effect at the time of the order.

(i) If the Contracting Officer at any time has any reason to believe that the established list price has been discontinued, the basis for the list price has been substantially altered, or that the item no longer meets the criteria to qualify as an established catalog priced item, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that any of the preceding conditions are present and a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this clause. The Contract shall be modified to incorporate the substitute and its effective date.

(j) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(k) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(l) Voluntary price reductions (VPR):

(1) A “special or discount” offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are items included, and the length of time the VPR will remain in effect. Once the “special or discount” period expires, prices will revert to the contract unit price(s) in effect at that time.

(2) If a list price (or FSS Unit Price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased list price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9041 Economic Price Adjustment – Federal Supply Schedule Prices – Open Season E-CAT Solicitation.

As prescribed in 16.203-4(a)(2)(91)(i), 16.203-4(a)(2)(94)(ii), and 16.203-4(a)(2)(95)(iii), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – FEDERAL SUPPLY SCHEDULE PRICES - OPEN SEASON E-CAT SOLICITATION (MAR 2016)

(a) This clause applies to any items under this contract where the offeror has proposed the same (or discounted) prices as their current Federal Supply Schedule (FSS) prices and the Contracting Officer has accepted this pricing methodology. During the life of this contract, the Contracting Officer and the Contractor may agree in writing to also apply this clause to any other items that previously were not, but subsequently become, available under both this contract and any concurrent FSS contract(s).

(b) Definitions:

(1) FSS Price(s): "FSS Prices" or "FSS Unit Prices" refer to the unit prices for specific commercial items the Contractor and the Department of Veterans Affairs (DVA) have agreed to and are included in one or more current Federal Supply Schedule Contracts. All references to "FSS prices" or "FSS unit prices" shall be the prices appearing on the current Federal Supply Schedule for the same items under this contract.

(2) Discount: The percentage reduction off the FSS unit price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. (Contractors may offer larger discounts and/or reduced contract unit prices at any time.)

(3) Contract unit price: The price per unit of issue comprised of the FSS unit price and the applicable "discount". The contract unit price is determined by reducing the FSS unit price by the appropriate discount. Proposed revised prices are loaded by the Contractor into an E-CAT file and are forwarded electronically to the Government. The Contactor shall also separately submit (in Excel spreadsheet or ACCESS database format) the additional information as required in paragraphs (e) and (f) below in order for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT System. (Contract unit prices, FSS unit prices and discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT System to the Contractor or any customer are the delivered unit prices, which are the contract unit prices plus the DLA Troop Support administrative fee percentage (in effect at that time) charged customers ordering under this contract.)

(4) Voluntary price reduction (VPR): See paragraph (k).

(c) The offeror/Contractor warrants that (1) the FSS unit prices and the subsequent revisions thereto are the FSS unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these FSS unit prices do not include allowances for any portion of the contingency covered by this clause.

(d) Prior to award, the Contractor must furnish a copy of their current FSSs, FSS unit prices and the FSS contract expiration date for each item. The Contractor shall also furnish its offered discounts and proposed contract unit prices. at the option of the Contracting Officer, the Contractor shall also furnish the documentation set forth in paragraphs (f)(1)(i)(I) and (f)(1)(ii) below. Upon acceptance by the Government, the award unit prices shall be established at the FSS unit prices minus the offered discounts.

(e) Downward adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in FSS unit prices. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in FSS unit price. The Contractor shall propose a lower contract unit price

taking into consideration the benchmark in paragraph (e)(2) below. The Contractor must furnish a copy of the revised FSS contract and FSS unit prices as soon as they are available. Also, the Contractor must provide a copy of the "E-CAT file" at least 30 days, unless otherwise specified in the contract, prior to the date when the reduced FSS unit price takes effect. Finally, the Contractor shall also furnish, within the timeframe above, a separate Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in contract unit price the following information:

(i) The item number; e.g., 0003.

(ii) The supplier; for example, ABC Dental, Incorporated.

(iii) The product name/nomenclature; e.g., high speed handpiece.

(iv) The part number; for example, HPH2000.

(v) The applicable contract discount used as a basis for determining the current contract unit price.

(vi) The FSS unit price upon which the current contract unit price is based.

(vii) The contract unit price currently in effect.

(viii) The applicable contract discount or larger contract discount now offered.

(ix) The reduced FSS unit price.

(x) The reduced contract unit price now offered.

(xi) The percentage decrease in FSS unit price from the FSS unit price that determined the current contract unit price to the new, lower FSS unit price.

(xii) The percentage decrease in contract unit price from the current contract unit price to the new lower contract unit price now offered.

(2) Benchmark for FSS price reductions.

The appropriate contract discount or larger discount now offered will be applied to each reduced FSS unit price to determine the adjusted contract unit price provided the adjusted contract unit price does not exceed the following benchmark:

The offered reduction in contract unit price on a percentage basis must be at least equal to the percentage reduction from the FSS unit price that determined the current contract unit price to the new lower FSS unit price, i.e., the current contract unit price must, as a minimum, be reduced by the percentage decrease in the FSS unit price.

(3) If the proposed contract unit price exceeds the benchmark above, the Contracting Officer shall determine the proposed price reductions unreasonable. The Contracting Officer and Contractor shall negotiate a reduction in the proposed contract unit price to an amount that does not exceed the benchmark above. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the FSS prices and discount(s) which make up these prices.)

(i) If an agreement cannot be reached, the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below. If the proposed contract unit price does not exceed the benchmark above, it will be determined fair and reasonable.

(ii) Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT system to include the reduced prices. These reduced contract unit prices shall apply to those items ordered on or after the date when these lower prices appear in the contract electronic catalog residing in the E-CAT system. (Revisions will not be added to the electronic catalog prior to date they take effect.)

(iii) If the Contractor fails to notify the Contracting Officer of any FSS unit price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the date the new FSS unit price takes effect.

(f) Upward adjustments.

(1) Upward adjustments may be requested at any time. The requested upward price adjustments must be based upon increases in the Contractor's FSS unit prices. The request shall include a copy of the

revised FSS unit prices, the "E-CAT file", and the following for each item with a proposed increase in contract unit price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The supplier; e.g., ABC Dental, Inc.

(C) The product name/nomenclature; e.g., high speed handpiece.

(D) The part number; e.g., HPH2000.

(E) For the initial year, the FSS unit price that determined the award unit price, the applicable contract discount, and the award unit price. For all subsequent contract years, the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year, the applicable discount, and the highest contract unit price that was in effect during the preceding contract year.

(F) The increased FSS unit price, the applicable contract discount or larger contract discount now offered, and the proposed higher contract unit price.

(G) For the initial year, the percentage change from the FSS unit price that determined the award unit price to the new higher FSS unit price. For all subsequent contract years, the percentage change from the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher FSS unit price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed contract unit price. For all subsequent contract years, the percentage change from the highest contract unit price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to the Department of Veterans Affairs and the General Services Administration at other than Federal Supply Schedule (FSS) prices, the non-FSS prices/discounts (if different than the reported FSS unit prices/discounts) offered to those agencies.

(ii) Any other applicable supporting data requested by the Contracting Officer.

(2) Benchmarks for FSS price increases: If any FSS unit price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items shall be determined using the increased FSS unit price(s) and either the applicable discount(s) originally awarded or any larger discount(s) now offered. These increased contract unit prices shall apply to all orders issued on or after the date these revised unit prices appear in the electronic catalog residing in the E-CAT system. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lower of the following two benchmarks:

(i) For the initial year of the contract, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the FSS unit price that determined the award unit price to the new higher FSS unit price. For all subsequent contract years, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher FSS unit price.

(ii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial contract year, contract unit price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher contract unit price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent contract years, contract unit price increases shall be limited to the following annual ceiling(s) applied to the highest contract unit price in effect during the preceding

contract year for the same item (i.e., any proposed higher contract unit price cannot exceed the highest contract unit price in effect during the preceding contract year plus the annual ceiling.)

Annual ceiling, all items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. Upward price adjustments shall be effective once they appear in the contract electronic catalog residing in the E-CAT system.

(i) These updates will take place within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased FSS price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed contract unit price exceeds the lower of the two benchmarks above). In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

(ii) If necessary, the Contracting Officer shall conduct discussions with the Contractor to reduce the proposed contract unit price to an amount which does not exceed the lower of the two benchmarks and reach an agreement on fair and reasonable prices.

(iii) When discussions have concluded, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the FSS price and discount which makes up each agreed-to price.) Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System.

(iv) This procedure applies to only those items whose prices the Contracting Officer is unable to determine fair and reasonable within the 60-day period the Government has to evaluate prices and update the E-CAT System. The remainder of the items whose price increases are determined fair and reasonable, shall be entered into the E-CAT system within the prescribed period.

(v) In addition, the Contracting Officer may also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (f)(2)(ii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in contract unit price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower contract unit price, or delete the item from the contract electronic catalog residing in the E-CAT system. In no case may the increase in contract unit price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a contract unit price that exceeds the other benchmark.

(5) Any increased FSS unit prices shall not be used to compute contract unit prices for delivery orders issued before the date the adjusted contract unit prices take effect under the contract (i.e., the date they appear in the contract electronic catalog residing in the E-CAT system).

(g) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (e)(3), (f)(3) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(h) If the Contracting Officer at any time has any reason to believe that the FSS unit price has been discontinued, the Contractor shall furnish relevant information as required by the Contracting Officer. If

the Contracting Officer determines that the FSS unit price has been discontinued, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or some other appropriate EPA clause. The Contract shall be modified to incorporate the substitute and its effective date.

(i) Pricing actions pursuant to paragraph (c) entitled "Changes" of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for economic price adjustment.

(j) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(k) Voluntary price reductions (VPR):

(1) A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the special or discount period expires, prices will revert to the contract unit prices in effect at that time.

(2) If an FSS unit price decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased FSS unit price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause if no VPR had been in effect.

(End of Clause)

52.216-9042 Economic Price Adjustment (EPA) – Department of Labor Bureau of Labor Statistics – Consumer Price Index.

As prescribed in 16.203-4(d)(2)(90), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) - DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS - CONSUMER PRICE INDEX(CPI) (NOV 2011)

(a) The Contractor warrants that the contract unit prices do not include allowances for any portion of the contingency covered by this clause.

(b) Consumer Price Indexes (CPIs) are published by the United States (U.S.) Department of Labor, Bureau of Labor Statistics. The CPI for the expenditure category "Prescription Drugs and Medical Supplies" or "Nonprescription Drugs and Medical Supplies" located in Table 3 under "Medical Care Commodities" will be the economic indicator used for calculating the proposed new unit price for any option period to be exercised by the Government. The CPI, as used in this clause, means the index, as published monthly, not seasonally adjusted, for all urban consumers (CPI-U), U.S. city average. The index for a given month is available approximately two weeks into the following month. The item(s) offered are:

Prescription ( ) Nonprescription ( ) (Offeror must check appropriate block)

(c) All references to the terms "federal supply schedule (FSS) unit price(s)" or "FSS Price(s)" used herein, means the prices appearing in the Contractor's current federal supply schedule for the same items under this contract.

(d) Price adjustments based upon CPI changes.

(1) Price adjustments (increases and decreases) based upon changes in the CPI indexes are authorized once for each option period provided the Government elects to exercise that option. Price increases must

be requested by the Contractor. Any request for a price increase must be submitted to the Contracting Officer at least thirty days prior to the expiration of the current contract period in order for a price increase to take effect at the same time the upcoming option period takes effect (all indexes used to calculate the base and adjusting indexes should be available by this time). The request must include the calculations used to compute the proposed new unit price and a comparison of the appropriate benchmarks to the proposed new unit price. Price decreases are mandated by this clause. The Contractor shall notify the Contracting Officer of any price decreases in accordance with the same timeframe and provide the same information as required for increases above.

(2) Price Increases: If a request is not submitted within the required timeframe, increases will not take effect until 30 days after the request is received. If no request is received within 60 days after the New Option Period takes effect, the Contractor waives its right to a price increase for that Option Period. Price Decreases: If the Contractor fails to report any price decrease, the Contracting Officer will unilaterally establish a New Option Period Unit Price based upon the parameters for adjustment under this clause.

(e) Additional Price Adjustment(s). The Contractor is required to notify the Contracting Officer whenever there is a reduction in the Contractor's FSS unit price and/or the Federal ceiling price (FCP) at least 30 days prior to its taking effect for the same item(s) as under this contract when that reduction results in an FSS price and/or FCP that is now lower than the current contract unit price. This notification will trigger a price reduction in the current contract unit price to an amount equal to the lower FSS unit price and/or FCP. (For covered drugs where both the FSS and FCP have been reduced, the contract unit price shall be reduced to the lower of the two.)

(f) Calculation of the unit price (U/P) for the option periods based upon changes in the CPI.

(1) A "Base" and "Adjusting" index shall be established for each option period. (See paragraph (g) below).

(2) The unit price for the contract period about to expire will be increased or decreased based upon the percentage change from the base index to the applicable adjusting index using the formulas below.

First option period:

$$\text{Proposed new U/P for First option period} = \frac{\text{Adjusting Index}}{\text{Base Index}} \times \text{Current Contract U/P for the expiring Base Period}$$

Subsequent option periods:

$$\text{Proposed new U/P for Upcoming Option Period} = \frac{\text{Adjusting Index}}{\text{Base Index}} \times \text{Current Contract U/P for the expiring Option Period}$$

(3) The proposed new unit price will be used to price the upcoming option period provided it does not exceed the lowest of the applicable benchmarks. If it does exceed the lowest of the applicable benchmarks, however, the Contractor shall agree on a price reduction to an amount which is equal to or lower than the lowest of the applicable benchmarks. This reduced unit price will then be used to price the upcoming option period.

(g) Determining the "base" and "adjusting" indexes for price changes based upon the CPI. A base and adjusting index shall be established for each option period.

(1) For the first option period, the base index shall be the arithmetic average of the CPI indexes published for the month before and the actual month the award is made. The Adjusting Index shall be the arithmetic average of the CPI indexes published for the third and fourth month prior to the month the Base Period expires (e.g., if the Base Period expires in June, the Adjusting Index would be the average of the indexes published for February and March of the Base Period.)

(2) For subsequent option periods, the base index for any upcoming option period shall be the previously established adjusting index (e.g., the base index for the upcoming second option period shall be the adjusting index established for the first option period.) The adjusting index for any upcoming option period shall be the arithmetic average of the CPI Indexes published for the third and fourth months prior to the month the current option period expires (e.g., if the first option period expires in June, the

adjusting index for the upcoming second option period would be the average of the indexes published for February and March of the first option period).

(h) Benchmarks for price changes based upon the CPI:

(1) Any proposed new unit price calculated as a result of using the formula in (f) above shall not exceed whichever is the lowest of the following applicable benchmarks:

(i) The maximum ceiling unit price calculated by escalating the expiring contract period unit price by 10% (e.g., the ceiling for the first option period unit price will be based on the base period unit price escalated by 10%; the ceiling for the third option period unit price will be based on the second option period unit price escalated by 10%.) (Applies to price increases only. There is no percentage limit on downward adjustments under this clause.);

(ii) The Contractor's current federal supply schedule price for the same item (applies to all adjustments where the Contractor has a concurrent FSS for the same item(s) as under this contract); and

(iii) The current Federal ceiling price for the same item (applies to covered drugs only).

(i) All price increases or decreases (including any decreases under paragraph (e) above) under this clause shall be effected through the issuance of a modification. The modification shall indicate the new unit price and the effective date of that price, which, in most cases, should be on the same date the option period takes effect. All delivery orders issued after the effective date shall be priced using the new unit price. The modification shall also include the Adjusting Index.

(j) Payment on each delivery order under this contract shall be at the contract unit price in effect at the time the order is issued.

(k) In the event publication of any CPI index used under this clause is discontinued or its method of calculation is altered substantially in that it fails to reflect market conditions, the Contracting Officer may modify the contract to specify use of an appropriate substitute index or alternate method for adjusting prices. The substitute index or alternate adjustment method will take effect on the date the original index begins to fail to reflect market conditions.

(l) Any pricing actions pursuant to paragraph (c) entitled "Changes" of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provisions of the contract shall be priced as though there were no provisions for economic price adjustment.

(m) Voluntary price reductions (VPR):

(1) A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the contract unit prices that would be in effect at that time.

(2) If any VPR is in effect when a price decrease is mandated under this clause, the VPR will remain in effect until it expires if it is lower than the price decrease. If the Contractor requests a price increase based upon an increase in the CPI indexes when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9043 Economic Price Adjustment – Federal Supply Schedule Prices.
As prescribed in 16.203-4(a)(2)(92), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – FEDERAL SUPPLY SCHEDULE PRICES (FSS) (NOV 2011)

(a) This clause applies to any items under this contract where the offeror has proposed the same (or discounted) prices as their current FSS prices and the Contracting Officer has accepted this pricing methodology. During the life of this contract, the Contracting Officer and the Contractor may agree in writing to also apply this clause to any other items that previously were not, but subsequently become, available under both this contract and any concurrent FSS contract(s).

(b) Definitions:

(1) FSS Price(s): "FSS prices" or "FSS unit prices" refer to the unit prices for specific commercial items the Contractor and the Department of Veterans Affairs (DVA) have agreed to and are included in one or more current Federal Supply Schedule Contracts. All references to "FSS prices" or "FSS unit prices" shall be the prices appearing on the current Federal supply schedule for the same items under this contract.

(2) Discount: The percentage reduction off the FSS unit price proposed by the Contractor and accepted by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. (Contractors may offer larger discounts and/or reduced contract unit prices at any time.)

(3) Contract unit price: The price per unit of issue comprised of the FSS unit price and the applicable "discount". The contract unit price is determined by reducing the FSS unit price by the appropriate discount.

(4) Voluntary price reduction (VPR): See paragraph (k).

(c) The offeror/Contractor warrants that (1) the FSS unit prices and the subsequent revisions thereto are the FSS unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these FSS unit prices do not include allowances for any portion of the contingency covered by this clause.

(d) Prior to award, the Contractor must furnish a copy of their current FSSs, FSS unit prices and the FSS contract expiration date for each item. The Contractor shall also furnish its offered discounts and proposed contract unit prices. At the option of the Contracting Officer, the Contractor shall also furnish the documentation set forth in paragraphs (f)(1)(i)(I) and (f)(1)(ii) below. Upon acceptance by the Government, the award unit prices shall be established at the FSS unit prices minus the offered discounts.

(e) Downward adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in FSS unit prices. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in FSS Unit Price. The Contractor shall propose a lower contract unit price taking into consideration the benchmark in paragraph (e)(2) below. The Contractor must furnish a copy of the revised FSS contract and FSS unit prices as soon as they are available. Also, at least 30 days prior to the date when the reduced FSS unit price takes effect, the Contractor shall furnish an Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in contract unit price the following information:

(i) The item number; e.g., 0003.
(ii) The supplier; e.g., ABC Dental, Inc.
(iii) The product name/nomenclature; e.g., high speed handpiece.
(iv) The part number; e.g., HPH2000.
(v) The applicable contract discount used as a basis for determining the current contract unit price.
(vi) The FSS unit price upon which the current contract unit price is based.
(vii) The contract unit price currently in effect.
(viii) The applicable contract discount or larger contract discount now offered.
(ix) The reduced FSS unit price.
(x) The reduced contract unit price now offered.

(xi) The percentage decrease in FSS unit price from the FSS unit price that determined the current contract unit price to the new, lower FSS unit price.

(xii) The percentage decrease in contract unit price from the current contract unit price to the new lower contract unit price now offered.

(2) Benchmark for FSS price reductions. The appropriate contract discount or larger discount now offered will be applied to each reduced FSS Unit Price to determine the adjusted contract unit price provided the adjusted Contract Unit Price does not exceed the following benchmark:
The offered reduction in contract unit price on a percentage basis must be at least equal to the percentage reduction from the FSS unit price that determined the current contract unit price to the new lower FSS Unit Price, i.e., the current contract unit price must, as a minimum, be reduced by the percentage decrease in the FSS Unit Price.

(3) If the proposed contract unit price exceeds the benchmark above, the Contracting Officer shall determine the proposed price reductions unreasonable. The Contracting Officer and Contractor shall negotiate a reduction in the proposed contract unit price to an amount that does not exceed the benchmark above. All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the FSS prices and discount(s) which make up these prices. The Contract will be modified as discussed directly below.)

(i) If the proposed contract unit price does not exceed the benchmark above, it will be determined fair and reasonable.

(ii) Upon acceptance of any proposed price decreases, the Government shall modify the contract to include the reduced contract unit price(s) which will take effect on the same day the reduced FSS Unit Price takes effect. The modification will also show the applicable discount, the reduced FSS Unit Price(s) and their effective date(s).

(iii) The reduced contract unit prices shall apply to those items ordered on or after the effective date of the decrease in the Contractor's FSS Price(s).

(iv) f the Contractor fails to notify the Contracting Officer of any FSS Unit Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the date the new FSS Unit Price takes effect.

(f) Upward adjustments.

(1) Upward adjustments may be requested at any time. The requested upward price adjustments must be based upon increases in the Contractor's FSS Unit Prices. The request shall include a copy of the revised FSS Unit Prices, and the following for each item with a proposed increase in contract unit price:

(i) An Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The supplier; e.g., ABC Dental, Inc.

(C) The product name/nomenclature; e.g., high speed handpiece.

(D) The part number; e.g., HPH2000.

(E) For the initial year, the FSS unit price that determined the award unit price, the applicable contract discount, and the award unit price. For all subsequent contract years, the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year, the applicable discount, and the highest contract unit price that was in effect during the preceding contract year.

(F) The increased FSS unit price, the applicable contract discount or larger contract discount now offered, and the proposed higher contract unit price.

(G) For the initial year, the percentage change from the FSS unit price that determined the award unit price to the new higher FSS unit price. For all subsequent contract years, the percentage change from the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher FSS unit price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed contract unit price. For all subsequent contract years, the percentage change from the highest contract unit price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to the Department of Veterans Affairs and the General Services Administration at other than Federal Supply Schedule (FSS) prices, the non-FSS prices/discounts (if different than the reported FSS unit prices/discounts) offered to those agencies.

(ii) Any other applicable supporting data requested by the Contracting Officer.

(2) Benchmarks for FSS price increases: If any FSS unit price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items shall be determined using the increased FSS unit price(s) and either the applicable discount(s) originally awarded or any larger discount(s) now offered. hese increased contract unit prices shall apply to all orders issued on or after the effective date of these increases (see (f)(3) below). Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lower of the following two benchmarks:

(i) For the initial year of the contract, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the FSS unit price that determined the award unit price to the new higher FSS unit price. For all subsequent contract years, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the FSS unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher FSS unit price.

(ii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial contract year, contract unit price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher contract unit price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent contract years, contract unit price increases shall be limited to the following annual ceiling(s) applied to the highest contract unit price in effect during the preceding contract year for the same item (i.e., any proposed higher contract unit price cannot exceed the highest contract unit price in effect during the preceding contract year plus the annual ceiling.)

Annual ceiling, all items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon acceptance of any proposed price increases, the Government shall modify the contract showing the increased contract unit prices and when they become effective, the applicable discount, and the increased FSS unit price(s) and their effective date(s). Upward price adjustments shall be effective within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased FSS price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed contract unit price exceeds the lower of the two benchmarks above). in this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

If necessary, the Contracting Officer shall conduct discussions with the Contractor to reduce the proposed contract unit price to an amount which does not exceed the lower of the two benchmarks and reach an agreement on fair and reasonable prices. When discussions have concluded, the Contractor shall confirm the agreed-to price(s) in writing. (The agreement shall also identify the FSS price and discount which makes up each agreed-to price.)

Once the written agreement is received, the Government shall modify the contract showing the increased contract unit prices and when they become effective, the applicable discount, and the increased FSS Unit Price(s) and their effective date(s). (No increases will be effective prior to the date the increased FSS takes effect.)

If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will remove these items from the contract.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (f)(2)(ii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in Contract Unit Price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower Contract Unit Price, or delete the item from the contract. In no case may the increase in Contract Unit Price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a Contract Unit Price that exceeds the other benchmark.

(5) Any increased FSS unit prices shall not be used to compute contract unit prices for delivery orders issued before the date the adjusted contract unit prices take effect under the Contract.

(g) If the Contracting Officer removes items from the contract for price unreasonableness (see (e)(3), (f)(3) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(h) If the Contracting Officer at any time has any reason to believe that the FSS unit price has been discontinued, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that the FSS Unit Price has been discontinued, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or some other appropriate EPA clause. The contract shall be modified to incorporate the substitute and its effective date.

(i) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(j) Pending approval of any proposed price changes and the issuance of any subsequent modification establishing the effective date of these changes, payment shall be made at the contract unit prices in effect at the time of order.

(k) Voluntary price reductions (VPR): A “special or discount” offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time.

The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the “special or discount” period expires, prices will revert to the contract unit prices in effect at that time.

If an FSS unit price decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased FSS unit price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause if no VPR had been in effect.

(End of Clause)

52.216-9044 Economic Price Adjustment – Established Catalog Price Multiple Adjustments Authorized Per Clause Terms.
As prescribed in 16.203-4(a)(2)(93), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – ESTABLISHED CATALOG PRICE - MULTIPLE ADJUSTMENTS AUTHORIZED PER CLAUSE TERMS - NON-ECAT (NOV 2011)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Contractor's list prices and certain Federal Supply Schedule (FSS) unit prices. The clause also provides for voluntary price reductions (VPR) in the form of "specials" or "discounts".

(b) Definitions:

(1) Contract unit price: The price per unit of issue comprised of the "list price" and the applicable "discount". The contract unit price is determined by reducing the applicable list price by the appropriate discount. The list prices and discounts shall be listed in the contract. The resulting net contract unit prices may or may not be listed in the contract at the discretion of the Contracting Officer.

(2) Discount: The percentage reduction off the list price proposed by the Contractor and accepted by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. These discounts are in addition to any standard trade discounts in the Contractor's established commercial catalog/price list. (Contractors may offer larger discounts and/or reduced list prices at any time.)

(3) List price: The established catalog unit prices of the items. In order for a "list price" to meet the criteria as an established catalog price, it must meet the definition in (c)(1) below.

(4) Voluntary price reduction (VPR): See paragraph (l) below.

(c) Established catalog unit price.

(1) The term "established catalog unit price", as used in this clause, means a unit price that (i) is a catalog price for a commercial item sold in substantial quantities to the general public and (ii) is the net price after applying any standard trade discounts offered by the Contractor.

(2) Unless otherwise specified, all reference to the terms "FSS unit price"(s) or "FSS price(s)" as used in this clause, shall be the prices appearing in the Contractor's current Federal Supply Schedule for the same items under this contract.

(d) The offeror/Contractor warrants that (1) the list prices and the subsequent revisions thereto are the established catalog unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these list prices do not include allowances for any portion of the contingency covered by this clause. The offeror/Contractor also warrants that any contract unit prices determined using FSS unit prices do not include allowances for any portion of the contingency covered by this clause.

(e) Prior to award the Contractor must furnish:

(1) their current established catalog/price list, offered discounts, proposed contract unit prices; and

(2) a copy of their current FSS's, FSS unit prices, and the FSS contract expiration dates applicable to any items offered as well as any other information required by the Contracting Officer.

(f) Upon acceptance by the Government, the award unit prices will be established at the list prices minus the offered discounts provided the resulting contract unit prices do not exceed any current FSS unit price for the same item. Accordingly, offers are cautioned to propose discounts which, when applied to the list prices, will not exceed FSS Unit Prices.

(g) Downward adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in either 1) List Prices or 2) FSS Unit Prices when the reduction results in a revised FSS Price which is now lower than the current Contract Unit Price. The Contractor shall promptly notify the Contracting Officer in

writing of the amount and effective date of each decrease in list price and any FSS Unit Price reduction which results in an FSS Unit Price which is now lower than the current Contract Unit Price.
If the offered price decrease is based upon a reduction in list price or FSS Price, the Contractor shall propose a lower Contract Unit Price taking into consideration the benchmarks in paragraphs (g)(2) and (3) below. The Contractor must furnish a copy of the revised Catalog/Price List or FSS Unit Price as soon as it is available. Also, the Contractor must provide an Excel spreadsheet or ACCESS Database (in both hard copy and disc) that displays for each item with an offered decrease in Contract Unit Price the appropriate information below.
For reductions in List Price(s), the Contractor shall submit this information at least 60 days prior to the date when the reduced List Prices take effect. For reductions in FSS Price(s), the Contractor shall provide this information at least 30 days prior to the date the reduced FSS unit price(s) takes effect.

(i) For list price or FSS changes: The item number; e.g., 0001AA.

(ii) For list price or FSS changes: The Supplier (Catalog); e.g., ABC Imaging, Inc.

(iii) For list price or FSS changes: The Product Name/Nomenclature; e.g., High Speed Handpiece.

(iv) For list price or FSS changes: Part Number; e.g., HIH 2000

(v) or list price or FSS changes: The list price upon which the current Contract Unit Price is based.

(vi) For list price or FSS changes: The applicable Contract Discount used as a basis for determining the current Contract Unit Price.

(vii) For list price or FSS changes: The Contract Unit Price currently in effect.

(viii) For list price changes: The reduced List Price.

(ix) For list price changes: The applicable Contract Discount or larger Contract Discount now offered.

(x) For list price or FSS changes: The reduced contract unit price now offered.

(xi) For list price changes: The percentage decrease in list price from the list price which determined the current Contract Unit Price to the new, lower List Price.

(xii) For list price changes: The percentage change in Contract Unit Price from the current Contract Unit Price to the new lower Contract Unit Price now offered.

(xiii) For FSS changes: The current FSS Unit Price which is about to expire and the new reduced FSS Unit Price which will replace it and triggered this Contract Unit Price reduction.

(xiv) For list price changes: For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS Unit Price(s) for the same item.

(2) Reductions in List Price(s). If the offered price decrease is based upon a reduction in the List Price, the appropriate discount or larger discount now offered will be applied to each reduced list price to determine the adjusted Contract Unit Price provided the proposed lower Contract Unit Price does not exceed the lower of the following two benchmarks:

(i) The offered reduction in Contract Unit Price on a percentage basis must be at least equal to the percentage reduction from the list price currently in effect under the contract to the new lower List Price; i.e., the current Contract Unit Price must, as a minimum, be reduced by the percentage decrease in List Price.

(ii) The new proposed lower Contract Unit Price shall not exceed the current FSS Unit Price for the same item.

(3) FSS Price Reductions. If the offered price decrease is based upon a reduction in the FSS Price, the proposed lower Contract Unit Price shall not exceed the following benchmark: The new proposed lower Contract Unit Price shall not exceed the revised lower FSS Price for the same item.

(4) If the proposed Contract Unit Price exceeds the lower of the appropriate list price benchmarks (for reductions based upon reduced List Prices) or the FSS Price benchmark (for reductions based upon reduced FSS Prices), the Contracting Officer shall determine the proposed price reductions unreasonable

and negotiate a price reduction which results in a Contract Unit Price that does not exceed the appropriate benchmarks.

(i) All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the list price(s) and discount(s) which make up these prices. Changes based upon FSS price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted Contract Unit Price which does not exceed the revised lower FSS Price.

(ii) If an agreement cannot be reached the Contracting Officer has the option of removing these items from the Contract or taking the action in the last sentence below. If the proposed Contract Unit Price does not exceed the lowest of the appropriate list price or FSS Price benchmarks, it will be determined fair and reasonable.

(iii) Upon acceptance of any proposed price decreases, the Government shall modify the contract to include the reduced list prices and discounts (changes based upon FSS price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted Contract Unit Price which does not exceed the revised lower FSS Price). The adjusted contract unit prices may or may not be shown in the modification at the discretion of the Contracting Officer. These reduced contract unit prices shall apply to those items ordered on or after the effective date of the reduced List or FSS Unit Price(s).

(iv) If the Contractor fails to notify the Contracting Officer of any list price or FSS Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Contractor's established List or FSS Prices.

(h) Upward Adjustments.

(1) Upward adjustments may be requested at any time. However, any request for upward price adjustment must be based upon increases in List Prices only. The Contractor shall propose a Contract Unit Price taking into consideration the benchmarks in paragraph (g)(2). The request shall include a copy of the revised Catalog/Price List and the following for each item with a proposed increase in Contract Unit Price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The Supplier(Catalog); e.g., ABC Dental, Inc.

(C) The Product Name/Nomenclature; e.g., High Speed Handpiece.

(D) The Part Number; e.g., HIH2000.

(E) For the initial year, the list price that determined the Award Unit Price, the applicable Contract Discount, and the Award Unit Price. For all subsequent contract years, the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year, the applicable discount, and the highest Contract Unit Price that was in effect during the preceding Contract Year.

(F) The increased list price and its effective date, the applicable Contract Discount or larger Contract Discount now offered, and the proposed higher Contract Unit Price.

(G) For the initial year, the percentage change from the list price that determined the award unit price to the new higher List Price. For all subsequent contract years, the percentage change from the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year to the new higher List Price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed Contract Unit Price. For all subsequent contract years, the percentage change from the highest

Contract Unit Price that was in effect at any time during the preceding contract year to the new higher proposed Contract Unit Price.

(I) For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS Unit Price(s) for the same item.

(J) Any other information required by the Contracting Officer.

(2) Benchmarks. If any list price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items ordered after the increase takes effect shall be determined using the increased list price and either the applicable Discount originally awarded or any larger Discount now offered that applies to the affected item. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lowest of the following three benchmarks:

(i) For the Initial Year of the contract, the proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the list price that determined the award unit price to the new higher List Price. For all subsequent Contract Years, the proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding contract year to the new higher List Price.

(ii) Any proposed higher Contract Unit Price shall not exceed the current FSS Unit Price for the same item.

(iii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial Contract Year, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent Contract Years, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the highest Contract Unit Price in effect during the preceding Contract Year for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the highest Contract Unit Price in effect during the preceding Contract Year plus the annual ceiling.)

Annual Ceiling, All Items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract to include the increased list prices and discounts. The adjusted contract unit prices may or may not be included in the modification at the discretion of the Contracting Officer.

(i) Upward price adjustments shall be effective within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased list price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed Contract Unit Price exceeds the lowest of the three benchmarks above). In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable. If necessary, the Contracting Officer shall conduct discussions with the Contractor to negotiate a price reduction which results in a Contract Unit Price that does not exceed the lowest of the three benchmarks.

(ii) When discussions have concluded and an agreement which results in fair and reasonable prices is reached, the Contractor shall confirm the agreed-to price(s) in writing (The agreement shall also identify the list price and discount which makes up each agreed-to price.) Once the written agreement is received, the Government shall modify the contract to include the increased list prices and discounts. The adjusted contract unit prices may or may not be included in the modification at the discretion of the Contracting Officer (No increases will be effective prior to the date the increased List Price(s) take effect.)

(iii) If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the contract. In addition, the Contracting Officer may also, at any time, remove any item from the contract that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (h)(2)(iii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in contract unit price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower contract unit price, or delete the item(s) from the contract. In no case may the increase in Contract Unit Price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a contract unit price that exceeds the other benchmarks.

(5) Any increased list prices shall not be used to compute contract unit prices for delivery orders issued before the date the adjusted contract unit prices take effect under the contract.

(6) If the Contracting Officer removes items from the contract for price unreasonableness (see (g)(4) and (h)(3) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(i) If the Contracting Officer at any time has any reason to believe that the established list price has been discontinued, the basis for the list price has been substantially altered, or that the item no longer meets the criteria to qualify as an established Catalog Priced item, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that any of the preceding conditions are present and a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or another appropriate clause. The Contract shall be modified to incorporate the substitute and its effective date.

(j) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(k) Pending approval of any proposed price changes and the subsequent modification of the contract unit prices, payment shall be made at the contract unit prices in effect at the time of order.

(l) Voluntary Price Reductions (VPR): A “special or discount” offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause.

(1) The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are included, and the length of time the VPR will remain in effect. Once the “special or discount” period expires, prices will revert to the Contract Unit Price(s) in effect at that time.

(2) If a list price (or FSS Unit Price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a Contract Unit Price increase based upon an increased list price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9045 Economic Price Adjustment – Other Federal Agency Contracts – E-CAT.
As prescribed in 16.203-4(a)(2)(94)(i), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – OTHER FEDERAL AGENCY CONTRACTS – E-CAT
(NOV 2011)

(a) This clause applies to any items under this contract where the offeror has proposed the same (or discounted) prices as are included in any current contract(s) the Contractor may have with Other Federal Agencies (OFA) and the Contracting Officer agrees to use this pricing methodology. During the life of this contract, the Contracting Officer and the Contractor may agree in writing to also apply this clause to any other items that previously were not, but subsequently become, available under both this contract and any concurrent OFA contract(s).

(b) Definitions:

(1) Other Federal Agency (OFA) Price: "OFA Prices" or "OFA Unit Prices" refer to the unit prices for specific commercial items the Contractor and another Federal Agency have agreed to and are included in one or more current Contracts.

(2) Discount: The percentage reduction off the OFA Unit Price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. (Contractors may offer larger discounts and/or reduced contract unit prices at any time.)

(3) Contract Unit Price: The price per unit of issue comprised of the OFA Unit Price and the applicable "Discount". The Contract Unit Price is determined by reducing the OFA Unit Price by the appropriate Discount. contract unit prices and any subsequent proposed revisions thereto are loaded by the Contractor into an E-CAT file and are forwarded electronically to the Government. For proposed price changes, the Contactor shall also separately submit (in Excel Spreadsheet or ACCESS Database format) the additional information as required in paragraphs (e) and (f) below in order for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT System. (Contract unit prices, OFA unit prices and discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT System to the Contractor or any customer are the Delivered Unit Prices, which are the contract unit prices plus the DLA Troop Support Administrative Fee percentage (in effect at that time) charged customers ordering under this contract.)

(4) Voluntary Price Reduction (VPR): See paragraph (k).

(c) The offeror/Contractor warrants that (1) the OFA Unit Prices and the subsequent revisions thereto are the OFA unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these OFA Unit Prices do not include allowances for any portion of the contingency covered by this clause.

(d) Prior to award, the Contractor must furnish a copy of their current OFA Contract, OFA contract unit prices and the OFA contract expiration date for each item. The Contractor shall also furnish its offered Discounts and proposed contract unit prices. At the option of the Contracting Officer, the Contractor shall also furnish the documentation set forth in paragraphs (f)(1)(i)(I) and (f)(1)(ii) below. Upon acceptance by the Government, the Award Unit Prices shall be established at the OFA Unit Prices minus the offered Discounts.

(e) Downward Adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in OFA Unit Prices. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in OFA Unit Price. The Contractor shall propose a lower Contract Unit Price taking into consideration the benchmark in paragraph (e)(2) below. The Contractor must furnish a

copy of the revised OFA Contract and OFA Unit Prices as soon as they are available. Also, the Contractor must provide a copy of the "E-CAT file" at least 30 days prior to the date when the reduced OFA Unit Price takes effect. Finally, the Contractor shall also furnish, within the timeframe above, a separate Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in Contract Unit Price the following information:

(i) The item number; e.g., 0003.

(ii) The Supplier; e.g., ABC Dental, Inc.

(iii) The Product Name/Nomenclature; e.g., High Speed Handpiece.

(iv) The Part Number; e.g., HPH2000.

(v) The applicable contract discount used as a basis for determining the current Contract Unit Price.

(vi) The OFA Unit Price upon which the current Contract Unit Price is based.

(vii) The Contract Unit Price currently in effect.

(viii) The applicable Contract Discount or larger Contract Discount now offered.

(ix) The reduced OFA Unit Price.

(x) The reduced Contract Unit Price now offered.

(xi) The percentage decrease in OFA Unit Price from the OFA Unit Price that determined the Current Contract Unit Price to the new, lower OFA Unit Price.

(xii) The percentage decrease in Contract Unit Price from the current Contract Unit Price to the new lower Contract Unit Price now offered.

(2) Benchmark For OFA Price Reductions.

(i) The appropriate Contract Discount or larger Discount now offered will be applied to each reduced OFA Unit Price to determine the adjusted Contract Unit Price provided the adjusted Contract Unit Price does not exceed the following benchmark:

(ii) The offered reduction in Contract Unit Price on a percentage basis must be at least equal to the percentage reduction from the OFA Unit Price that determined the current Contract Unit Price to the new lower OFA Unit Price, i.e., the current Contract Unit Price must, as a minimum, be reduced by the percentage decrease in the OFA Unit Price.

(3) If the proposed Contract Unit Price exceeds the benchmark above, the Contracting Officer shall determine the proposed price reductions unreasonable. The Contracting Officer and Contractor shall negotiate a reduction in the proposed Contract Unit Price to an amount that does not exceed the benchmark above. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the OFA prices and discount(s) which make up these prices.)

(i) If an agreement cannot be reached, the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below. If the proposed Contract Unit Price does not exceed the benchmark above, it will be determined fair and reasonable. Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT system to include the reduced prices. These reduced contract unit prices shall apply to those items ordered on or after the date when these lower prices appear in the contract electronic catalog residing in the E-CAT system. (Revisions will not be added to the electronic catalog prior to date they take effect.)

(ii) If the Contractor fails to notify the Contracting Officer of any OFA Unit Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the date the new OFA Unit Price takes effect.

(f) Upward Adjustments.

(1) The Base Year contract unit prices are not subject to any upward adjustment. The Contractor is authorized to submit one request for any upward adjustments to contract unit prices for each Option Year. This request shall be submitted no later than 30 days prior to the effective date of the upcoming Option

Year (if exercised). The requested upward price adjustments must be based upon increases in the Contractor's OFA Unit Prices. The request shall include a copy of the revised OFA Unit Prices, the "E-CAT file", and the following for each item with a proposed increase in Contract Unit Price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The Supplier; e.g., ABC Dental, Inc.

(C) The Product Name/Nomenclature; e.g., High Speed Handpiece.

(D) The Part Number; e.g., HPH2000.

(E) For the initial Option year, the OFA Unit Price that determined the Award Unit Price, the applicable Contract Discount, and the Award Unit Price. For all subsequent Option years, the OFA Unit Price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year, the applicable discount, and the highest Contract Unit Price that was in effect during the preceding Contract Year.

(F) The increased OFA Unit Price, the applicable Contract Discount or larger Contract Discount now offered, and the proposed higher Contract Unit Price.

(G) For the initial Option year, the percentage change from the OFA Unit Price that determined the award unit price to the new higher OFA Unit Price. For all subsequent Option years, the percentage change from the OFA Unit Price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year to the new higher OFA Unit Price.

(H) For the initial Option year, the percentage change from the award unit price to the new higher proposed Contract Unit Price. For all subsequent contract years, the percentage change from the highest Contract Unit Price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to Federal Agencies at other than OFA Contract Prices, the non-OFA prices/discounts (if different than the reported OFA Unit Prices/Discounts) offered to those agencies.

(ii) Any other applicable supporting data requested by the Contracting Officer.

(2) Benchmarks For OFA Price Increases: If any OFA Unit Price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items shall be determined using the increased OFA Unit Price(s) and either the applicable Discount(s) originally awarded or any larger Discount(s) now offered. These increased contract unit prices shall apply to all orders issued on or after the effective date of the increase. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lower of the following two benchmarks:

(i) For the Initial Option Year of the contract, any proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the OFA Unit Price that determined the award unit price to the new higher OFA Unit Price. For all subsequent Option Years, any proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the OFA Unit Price that determined the highest Contract Unit Price that was in effect at any time during the preceding contract year to the new higher OFA Unit Price.

(ii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial Option Year, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent Option Years, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the highest Contract Unit Price in effect during the preceding Contract Year for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the highest Contract Unit Price in effect during the preceding Contract Year plus the annual ceiling.)

Annual Ceiling, All Items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. Upward price adjustments shall be effective on the same day that the Option Year takes effect unless either of the following occurs:

(i) If the Contractor's request for price adjustment is not received a minimum of 30 days prior to the effective date of the upcoming Option Year (if exercised), any approved upward price adjustment shall not be effective until 30 days after receipt of the request.

(ii) If, during the 30-day period the Government has to evaluate prices and update the E-CAT system, the Contracting Officer is unable to determine that a price increase on any item or items is fair and reasonable (i.e., the proposed Contract Unit Price exceeds the lower of the two benchmarks above). In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

(A) If necessary, the Contracting Officer shall conduct discussions with the Contractor to reduce the proposed Contract Unit Price to an amount which does not exceed the lower of the two benchmarks and reach an agreement on fair and reasonable prices. When discussions have concluded, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the OFA price and discount which makes up each agreed-to price.) Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices.

(B) If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System. (This procedure applies to only those items whose prices the Contracting Officer is unable to determine fair and reasonable within the 30-day period the Government has to evaluate prices and update the E-CAT System. The remainder of the items whose price increases are determined fair and reasonable, shall be entered into the E-CAT system within the prescribed period.)

(C) In addition, the Contracting Officer may also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (f)(2)(ii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in contract unit price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower contract unit price, or delete the item from the contract electronic catalog residing in the E-CAT system. In no case may the increase in contract unit price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a Contract Unit Price that exceeds the other benchmark.

(5) Any increased OFA unit prices shall not be used to compute contract unit prices for delivery orders issued before the date the adjusted contract unit prices take effect under the Contract.

(g) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (e)(3), (f)(3)(ii) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(h) If the Contracting Officer at any time has any reason to believe that the OFA Unit Price has been discontinued (e.g., the current OFA contract expires and the Contractor does not receive a subsequent contract), the Contractor shall furnish relevant information as required by the Contracting Officer. If the

Contracting Officer determines that the OFA Unit Price has been discontinued, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or some other appropriate EPA clause. The Contract shall be modified to incorporate the substitute and its effective date.

(i) Pricing actions pursuant to paragraph (c) entitled "Changes" of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(j) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(k) Voluntary price reductions (VPR): "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause.

(1) The Contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the contract unit prices in effect at that time.

(2) f an OFA unit price decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased OFA unit price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause if no VPR had been in effect.

(End of Clause)

52.216-9046 Economic Price Adjustment – Other Federal Agency Contracts – E-CAT.
As prescribed in 16.203-4(a)(2)(95)(i), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – OTHER FEDERAL AGENCY CONTRACTS - E-CAT
(NOV 2011)

(a) This clause applies to any items under this contract where the offeror has proposed the same (or discounted) prices as are included in any current contract(s) the Contractor may have with other Federal Agencies (OFA) and the Contracting Officer agrees to use this pricing methodology. OFA contracts include GSA Schedule, Federal Supply Schedule, and Department of Veterans Affairs (DVA) National Acquisition Contracts. During the life of this contract, the Contracting Officer and the Contractor may agree in writing to also apply this clause to any other items that previously were not, but subsequently become, available under both this contract and any concurrent OFA contract(s).

(b) Definitions:

(1) Other Federal Agency (OFA) Price: "OFA Prices" or "OFA Unit Prices" refer to the unit prices for specific commercial items the Contractor and another Federal Agency have agreed to and are included in one or more current contracts.

(2) Discount: The percentage reduction off the OFA unit price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. (Contractors may offer larger discounts and/or reduced contract unit prices at any time.)

(3) Contract unit price: The price per unit of issue comprised of the OFA Unit Price and the applicable "Discount". The contract unit price is determined by reducing the OFA Unit Price by the appropriate

Discount. Proposed revised prices are loaded by the Contractor into an E-CAT file and are forwarded electronically to the Government. The Contactor shall also separately submit (in Excel Spreadsheet or ACCESS Database format) the additional information as required in paragraphs (e) and (f) below in order for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT System. (contract unit prices, OFA Unit Prices and Discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT System to the Contractor or any customer are the delivered unit prices, which are the contract unit prices plus the DLA Troop Support administrative fee percentage (in effect at that time) charged customers ordering under this contract.)

(4) Voluntary price reduction (VPR): See paragraph (k).

(c) The offeror/Contractor warrants that (1) the OFA unit prices and the subsequent revisions thereto are the OFA unit prices in effect at time of award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these OFA unit prices do not include allowances for any portion of the contingency covered by this clause.

(d) Prior to award, the Contractor must furnish a copy of their current OFA Contract, OFA contract unit prices and the OFA contract expiration date for each item. The Contractor shall also furnish its offered Discounts and proposed contract unit prices. At the option of the Contracting Officer, the Contractor shall also furnish the documentation set forth in paragraphs (f)(1)(i)(I) and (f)(1)(ii) below. Upon acceptance by the Government, the Award Unit Prices shall be established at the OFA Unit Prices minus the offered Discounts.

(e) Downward Adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in OFA Unit Prices. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in OFA Unit Price. The Contractor shall propose a lower Contract Unit Price taking into consideration the benchmark in paragraph (e)(2) below. The Contractor must furnish a copy of the revised OFA Contract and OFA Unit Prices as soon as they are available. Also, the Contractor must provide a copy of the "E-CAT file" at least 30 days prior to the date when the reduced OFA Unit Price takes effect. Finally, the Contractor shall also furnish, within the timeframe above, a separate Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in Contract Unit Price the following information:

(i) The item number; e.g., 0003.

(ii) The Supplier; e.g., ABC Dental, Inc.

(iii) The Product Name/Nomenclature; e.g., High Speed Handpiece.

(iv) The Part Number; e.g., HPH2000.

(v) The applicable contract discount used as a basis for determining the current Contract Unit Price.

(vi) The OFA Unit Price upon which the current Contract Unit Price is based.

(vii) The Contract Unit Price currently in effect.

(viii) The applicable Contract Discount or larger Contract Discount now offered.

(ix) The reduced OFA Unit Price.

(x) The reduced Contract Unit Price now offered.

(xi) The percentage decrease in OFA Unit Price from the OFA Unit Price that determined the Current Contract Unit Price to the new, lower OFA Unit Price.

(xii) The percentage decrease in Contract Unit Price from the current Contract Unit Price to the new lower Contract Unit Price now offered.

(2) Benchmark For OFA Price Reductions. The appropriate Contract Discount or larger Discount now offered will be applied to each reduced OFA Unit Price to determine the adjusted Contract Unit Price provided the adjusted Contract Unit Price does not exceed the following benchmark:

The offered reduction in Contract Unit Price on a percentage basis must be at least equal to the percentage reduction from the OFA Unit Price that determined the current Contract Unit Price to the new lower OFA Unit Price, i.e., the current Contract Unit Price must, as a minimum, be reduced by the percentage decrease in the OFA Unit Price.

(3) If the proposed Contract Unit Price exceeds the benchmark above, the Contracting Officer shall determine the proposed price reductions unreasonable. The Contracting Officer and Contractor shall negotiate a reduction in the proposed Contract Unit Price to an amount that does not exceed the benchmark above. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the OFA prices and discount(s) which make up these prices.) If an agreement cannot be reached, the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below.

If the proposed Contract Unit Price does not exceed the benchmark above, it will be determined fair and reasonable. Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT system to include the reduced prices. These reduced contract unit prices shall apply to those items ordered on or after the date when these lower prices appear in the contract electronic catalog residing in the E-CAT system (Revisions will not be added to the electronic catalog prior to date they take effect).

If the Contractor fails to notify the Contracting Officer of any OFA Unit Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the date the new OFA unit price takes effect.

(f) Upward adjustments.

(1) Upward adjustments may be requested at any time. The requested upward price adjustments must be based upon increases in the Contractor's OFA Unit Prices. The request shall include a copy of the revised OFA unit prices, the "E-CAT file", and the following for each item with a proposed increase in contract unit price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The supplier; e.g., ABC Dental, Inc.

(C) The product name/nomenclature; e.g., high speed hand-piece.

(D) The part number, e.g., HPH2000.

(E) For the initial year, the OFA unit price that determined the award unit price, the applicable contract discount, and the award unit price. For all subsequent contract years, the OFA unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year, the applicable discount, and the highest contract unit price that was in effect during the preceding contract year.

(F) The increased OFA Unit Price, the applicable Contract Discount or larger Contract Discount now offered, and the proposed higher Contract Unit Price.

(G) For the initial year, the percentage change from the OFA Unit Price that determined the award unit price to the new higher OFA Unit Price. For all subsequent contract years, the percentage change from the OFA Unit Price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year to the new higher OFA Unit Price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed contract unit price. For all subsequent contract years, the percentage change from the highest contract unit price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to the Department of Veterans Affairs and the General Services Administration at other than OFA contract prices, the non-OFA prices/discounts (if different than the reported OFA unit prices/discounts) offered to those agencies.

(ii) Any other applicable supporting data requested by the Contracting Officer.

(2) Benchmarks for OFA price increases: If any OFA unit price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items shall be determined using the increased OFA unit price(s) and either the applicable discount(s) originally awarded or any larger discount(s) now offered. These increased contract unit prices shall apply to all orders issued on or after the date these revised unit prices appear in the electronic catalog residing in the E-CAT system. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lower of the following two benchmarks:

(i) For the initial year of the contract, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the OFA unit price that determined the award unit price to the new higher OFA unit price. For all subsequent contract years, any proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the OFA unit price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher OFA unit price.

(ii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial contract year, contract unit price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher contract unit price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent Contract Years, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the highest Contract Unit Price in effect during the preceding Contract Year for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the highest Contract Unit Price in effect during the preceding Contract Year plus the annual ceiling.)

Annual Ceiling, All Items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices.

Upward price adjustments shall be effective once they appear in the contract electronic catalog residing in the E-CAT system. These updates will take place within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased OFA Price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed Contract Unit Price exceeds the lower of the two benchmarks above).

In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

If necessary, the Contracting Officer shall conduct discussions with the Contractor to reduce the proposed Contract Unit Price to an amount which does not exceed the lower of the two benchmarks and reach an agreement on fair and reasonable prices. When discussions have concluded, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the OFA price and discount which makes up each agreed-to price.)

Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System. (This procedure applies to only those items whose prices the Contracting Officer is unable to determine fair and reasonable within the 60-day period the Government has to evaluate prices and update the E-CAT System.

The remainder of the items whose price increases are determined fair and reasonable, shall be entered into the E-CAT system within the prescribed period.)

In addition, the Contracting Officer may also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (f)(2)(ii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in Contract Unit Price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower Contract Unit Price, or delete the item from the contract electronic catalog residing in the E-CAT system. In no case may the increase in Contract Unit Price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a contract unit price that exceeds the other benchmark.

(5) Any increased OFA unit prices shall not be used to compute contract unit prices for Delivery Orders issued before the date the adjusted contract unit prices take effect under the Contract(i.e., the date they appear in the contract electronic catalog residing in the E-CAT system).

(g) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (e)(3), (f)(3) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(h) If the Contracting Officer at any time has any reason to believe that the OFA Unit Price has been discontinued (e.g., the current OFA contract expires and the Contractor does not receive a subsequent contract), the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that the OFA unit price has been discontinued, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or some other appropriate EPA clause. The contract shall be modified to incorporate the substitute and its effective date.

(i) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(j) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(k) Voluntary price reductions (VPR): A “special or discount” offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, the applicable items included, and the length of time the VPR will remain in effect. Once the “special or discount” period expires, prices will revert to the contract unit prices in effect at that time.

If an OFA unit price decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased OFA unit price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause if no VPR had been in effect.

(End of Clause)

52.216-9047 Economic Price Adjustment – Established Catalog Price – One Upward Adjustment Per Option Year E-CAT Solicitation.
As prescribed in 16.203-4(a)(2)(90)(ii), 16.203-4(a)(2)(91)(ii), 16.203-4(a)(2)(96)(i), and 16.203-4(a)(2)(97), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – ESTABLISHED CATALOG PRICE ONE UPWARD ADJUSTMENT PER OPTION YEAR E-CAT SOLICITATION (NOV 2011)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Contractor's list prices and certain Other Federal Agency (OFA) contract unit prices. The clause also provides for voluntary price reductions (VPR) in the form of "specials" or "discounts".

(b) Definitions:

(1) Contract Unit Price: The price per unit of issue comprised of the "List Price" and the applicable "Discount". The Contract Unit Price is determined by reducing the applicable list price by the appropriate discount. Contract unit prices and any revisions thereto are loaded by the Contractor into an E-CAT File and are forwarded electronically to the Government. For proposed price changes, the Contractor shall also separately submit (in Excel Spreadsheet or ACCESS Database format) the additional information as required in paragraphs (g) and (h) below in order for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered unit prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT System. (Contract unit prices, list prices, and discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT System to the Contractor or any customer are the delivered unit prices which are the contract unit prices plus the DLA Troop Support administrative fee percentage (in effect at that time) charged customers ordering under this contract.)

(2) Discount: The percentage reduction off the list price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. These discounts are in addition to any standard trade discounts in the Contractor's established commercial Catalog/Price List. (Contractors may offer larger discounts and/or reduced List Prices at any time.)

(3) List Price: The established Catalog Unit Prices of the items. In order for a "List Price" to meet the criteria as an established Catalog Price, it must meet the definition in (c)(1) below.

(4) Voluntary Price Reduction (VPR): See paragraph (l).

(c)(1) The term "established Catalog Unit Price", as used in this clause, means a Unit Price that (i) is a Catalog Price for a commercial item sold in substantial quantities to the general public and (ii) is the net price after applying any standard trade discounts offered by the Contractor.

(2) Unless otherwise specified, all reference to the terms "OFA Unit Price"(s) or " OFA Price(s)" as used in this clause, shall be the prices appearing in the Contractor's current contract it may have with another Federal Agency for the same items under this contract.

(d) The offeror/Contractor warrants that (1) the List Prices and the subsequent revisions thereto are the established Catalog Unit Prices in effect at time of Award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these List Prices do not include allowances for any portion of the contingency covered by this clause. The offeror/Contractor also warrants that any contract unit prices determined using OFA Unit Prices do not include allowances for any portion of the contingency covered by this clause.

(e) Prior to award the Contractor must furnish:

(1) Their current established Catalog/Price List, offered Discounts, proposed contract unit prices; and

(2) If applicable, a copy of their current OFA Contract(s), OFA Unit Prices, and the OFA contract expiration dates applicable to items offered as well as any other information required by the Contracting Officer.

(f) Upon acceptance by the Government, the Award Unit Prices will be established at the List Prices minus the offered Discounts provided the resulting contract unit prices do not exceed the current OFA Unit Price (if applicable) for the same item. Accordingly, offers are cautioned to propose discounts which, when applied to the list prices, will not exceed OFA Unit Prices (if applicable).

(g) Downward Adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in either 1) List Prices or 2) OFA Unit Prices when the reduction results in a revised OFA Price which is now lower than the current Contract Unit Price. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in list price and any OFA Unit Price reduction which results in an OFA Unit Price which is now lower than the current Contract Unit Price. If the offered price decrease is based upon a reduction in list price or OFA Price, the Contractor shall propose a lower Contract Unit Price taking into consideration the benchmarks in paragraphs (g)(2) and (3) below. The Contractor must furnish a copy of the revised Catalog/Price List or OFA Unit Price as soon as it is available. Also, the Contractor must provide a copy of the "E-CAT file" at least 30 days prior to the date when the reduced List Price(s) or OFA Price(s) take effect. In addition to the "E-CAT file" and any other information required by the Contracting Officer, the Contractor shall also separately furnish, within the timeframe above, an Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in Contract Unit Price the appropriate information below:

(i) For List or OFA Price changes: The item number; e.g., 0001AA.

(ii) For List or OFA Price changes: The Supplier (Catalog); e.g., ABC Imaging, Inc.

(iii) For List or OFA Price changes: The Product Name/Nomenclature; e.g., High Speed Handpiece.

(iv) For List or OFA Price changes: Part Number; HIH 2000

(v) For List or OFA Price changes: The list price upon which the current Contract Unit Price is based.

(vi) For List or OFA Price changes: The applicable Contract Discount used as a basis for determining the current Contract Unit Price.

(vii) For List or OFA Price changes: The Contract Unit Price currently in effect.

(viii) For list price changes: The reduced List Price.

(ix) For List or OFA Price changes: The applicable Contract Discount or larger Contract Discount now offered.

(x) For List or OFA Price changes: The reduced Contract Unit Price now offered.

(xi) For list price changes: The percentage decrease in list price from the list price which determined the current contract unit price to the new, lower list price.

(xii) For list price changes: The percentage change in contract unit price from the current contract unit price to the new lower contract unit price now offered.

(xiii) For OFA Price changes: The current OFA unit price which is about to expire and the new reduced OFA unit price which will replace it and triggered this contract Unit Price reduction.

(xiv) For list price changes: For any items offered to Federal Agencies under an OFA Contract, the current OFA Unit Price(s) for the same item.

(2) Reductions in list price(s). if the offered price decrease is based upon a reduction in the list price, the appropriate discount or larger discount now offered will be applied to each reduced list price to determine the adjusted contract unit price provided the proposed lower contract unit Price does not exceed the lower of the following two benchmarks:

(i) The offered reduction in Contract Unit Price on a percentage basis must be at least equal to the percentage reduction from the list price currently in effect under the contract to the new lower List Price; i.e., the current Contract Unit Price must, as a minimum, be reduced by the percentage decrease in List Price.

(ii) The new proposed lower Contract Unit Price shall not exceed the current OFA Unit Price for the same item.

(3) OFA price reductions. If the offered price decrease is based upon a reduction in the OFA price, the proposed lower contract unit price shall not exceed the following benchmark:
The new proposed lower contract unit price shall not exceed the revised lower OFA price for the same item.

(4) If the proposed contract unit price exceeds the lower of the appropriate list price benchmarks (for reductions based upon reduced List Prices) or the OFA Price benchmark (for reductions based upon reduced OFA Prices), the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the appropriate benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the list price(s) and discount(s) which make up these prices.
Changes based upon OFA Price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted Contract Unit Price which does not exceed the revised lower OFA Price.) If an agreement cannot be reached the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below. If the proposed Contract Unit Price does not exceed the lowest of the appropriate list price or OFA Price benchmarks, it will be determined fair and reasonable.
Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the reduced contract unit prices. (Changes based upon OFA Price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted Contract Unit Price which does not exceed the revised lower OFA Price). These reduced contract unit prices shall apply to those items ordered on or after the date the reduced list or OFA prices take effect (Revisions will not be added to the electronic catalog prior to date they take effect).
If the Contractor fails to notify the Contracting Officer of any list price or OFA Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Contractor's established List or OFA Prices.

(h) Upward Adjustments.

(1) The Base Year contract unit prices are not subject to any upward adjustment. The Contractor is authorized to submit one request for any upward adjustments to contract unit prices for each Option Year. This request shall be submitted no later than 30 days prior to the effective date of the upcoming Option Year (if exercised). Each request for upward price adjustment must be based upon increases in List Prices only. The Contractor shall propose a Contract Unit Price taking into consideration the benchmarks in paragraph (h)(2). The request shall include a copy of the revised Catalog/Price List, the "E-CAT file" and the following for each item with a proposed increase in Contract Unit Price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.
(B) The Supplier(Catalog); e.g., ABC Dental, Inc.
(C) The Product Name/Nomenclature; e.g., High Speed Handpiece.
(D) The Part Number; e.g., HIH2000.

(E) For the initial Option year, the list price that determined the Award Unit Price, the applicable Contract Discount, and the Award Unit Price. For all subsequent Option years, the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year, the applicable discount, and the highest Contract Unit Price that was in effect during the preceding Contract Year.

(F) The increased list price and its effective date, the applicable Contract Discount or larger Contract Discount now offered, and the proposed higher Contract Unit Price.

(G) For the initial Option year, the percentage change from the list price that determined the award unit price to the new higher List Price. For all subsequent Option years, the percentage change from the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year to the new higher List Price.

(H) For the initial Option year, the percentage change from the award unit price to the new higher proposed Contract Unit Price. For all subsequent Option years, the percentage change from the highest Contract Unit Price that was in effect at any time during the preceding contract year to the new higher proposed Contract Unit Price.

(I) For any items offered to another Federal Agency under an OFA Contract, the current OFA Unit Price(s) for the same item.

(J) Any other information required by the Contracting Officer.

(2) Benchmarks. If any list price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items ordered after the increase takes effect shall be determined using the increased list price and either the applicable Discount originally awarded or any larger Discount now offered that applies to the affected item. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lowest of the following three benchmarks:

(i) For the Initial Option Year of the contract, the proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the list price that determined the award unit price to the new higher List Price. For all subsequent Option Years, the proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding contract year to the new higher List Price.

(ii) Any proposed higher Contract Unit Price shall not exceed the current OFA Unit Price for the same item.

(iii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial Option Year, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent Option Years, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the highest Contract Unit Price in effect during the preceding Contract Year for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the highest Contract Unit Price in effect during the preceding Contract Year plus the annual ceiling.)

Annual Ceiling, All Items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. Upward price adjustments shall be effective on the same day that the Option Year takes effect unless either of the following occurs:

(i) If the Contractor's request for price adjustment is not received a minimum of 30 days prior to the effective date of the upcoming Option Year (if exercised), any approved upward price adjustment shall not be effective until 30 days after receipt of the request.

(ii) If, during the 30-day period the Government has to evaluate prices and update the E-CAT system, the Contracting Officer is unable to determine that a price increase on any item or items is fair and reasonable (i.e., the proposed Contract Unit Price exceeds the lowest of the three benchmarks above). In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

If necessary, the Contracting Officer shall conduct discussions with the Contractor to negotiate a price reduction which results in a Contract Unit Price that does not exceed the lowest of the three benchmarks. When discussions have concluded and an agreement which results in fair and reasonable prices is reached, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the list price and discount which makes up each agreed-to price.)

Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System. (This procedure applies to only those items whose prices the Contracting Officer is unable to determine fair and reasonable within the 30-day period the Government has to evaluate prices and update the E-CAT System. The remainder of the items whose price increases are determined fair and reasonable, shall be entered into the E-CAT system within the prescribed period.) In addition, the Contracting Officer may also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (h)(2)(iii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in Contract Unit Price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower Contract Unit Price, or delete the item(s) from the contract electronic catalog residing in the E-CAT system. In no case may the increase in Contract Unit Price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a Contract Unit Price that exceeds the other benchmarks.

(5) Any increased List Prices shall not be used to compute contract unit prices for Delivery Orders issued before the date the adjusted contract unit prices take effect under the Contract.

(6) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (g)(4) and (h)(3)(ii) and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the Contract Unit Price in effect at the time of the order.

(i) If the Contracting Officer at any time has any reason to believe that the established list price has been discontinued, the basis for the list price has been substantially altered, or that the item no longer meets the criteria to qualify as an established Catalog Priced item, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that any of the preceding conditions are present and a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this clause. The contract shall be modified to incorporate the substitute and its effective date.

(j) Pricing actions pursuant to paragraph (c) entitled "Changes" of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(k) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(l) Voluntary price reductions (VPR): A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are items included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the Contract Unit Price(s) in effect at that time.

If a list price (or OFA unit price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. f the Contractor requests a contract unit price increase based upon an increased list price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9048 Economic Price Adjustment – Established Catalog Price – Multiple Adjustments Authorized Per Clause Terms – E-CAT Solicitation.

As prescribed in 16.203-4(a)(2)(97), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – ESTABLISHED CATALOG PRICE - MULTIPLE ADJUSTMENTS AUTHORIZED PER CLAUSE TERMS - E-CAT SOLICITATION (NOV 2011)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Contractor's list prices and certain Federal Supply Schedule (FSS) unit prices. The clause also provides for voluntary price reductions (VPR) in the form of "specials" or "discounts".

(b) Definitions:

(1) Contract unit price: The price per unit of issue comprised of the "List Price" and the applicable "Discount". The Contract unit price is determined by reducing the applicable list price by the appropriate Discount. Proposed revised prices are loaded by the Contractor into an E-CAT File and are forwarded electronically to the Government. The Contractor shall also separately submit (in Excel Spreadsheet or ACCESS database format) the additional information as required in paragraphs (g) and (h) below in order for the Government to review and evaluate these proposed price changes. Upon the Government's determination that the offered unit prices are acceptable/fair and reasonable, the Government shall release them into the contract electronic catalog residing in the E-CAT System. (Contract unit prices, list prices, and discounts under this contract are not visible in the E-CAT System to the Contractor or any customer. The prices visible in the E-CAT System to the Contractor or any customer are the delivered unit prices which are the contract unit prices plus the DLA Troop Support administrative fee percentage (in effect at that time) charged customers ordering under this contract.)

(2) Discount: The percentage reduction off the list price proposed by the Contractor, accepted by the Government, and maintained in the contract file (not the E-CAT System) by the Government. These percentages may vary per item and quantity ordered. They shall be agreed to at time of award and may not be reduced for the life of the contract. These discounts are in addition to any standard trade discounts

in the Contractor's established commercial catalog/price list. (Contractors may offer larger discounts and/or reduced list prices at any time.)

(3) List price: The established catalog unit prices of the items. In order for a "List Price" to meet the criteria as an established Catalog Price, it must meet the definition in (c)(1) below.

(4) Voluntary price reduction (VPR): See paragraph (l).

(c)(1) The term "established catalog unit price", as used in this clause, means a unit price that (i) is a catalog price for a commercial item sold in substantial quantities to the general public and (ii) is the net price after applying any standard trade discounts offered by the Contractor.

(2) Unless otherwise specified, all reference to the terms "FSS Unit Price"(s) or "FSS Price(s)" as used in this clause, shall be the prices appearing in the Contractor's current Federal Supply Schedule for the same items under this contract.

(d) The offeror/Contractor warrants that (1) the List Prices and the subsequent revisions thereto are the established Catalog Unit Prices in effect at time of Award or adjustment for like quantities of the same items and (2) any contract unit prices determined using these List Prices do not include allowances for any portion of the contingency covered by this clause. The offeror/Contractor also warrants that any contract unit prices determined using FSS unit prices do not include allowances for any portion of the contingency covered by this clause.

(e) Prior to award the Contractor must furnish:

(1) Their current established Catalog/Price List, offered Discounts, proposed contract unit prices; and

(2) A copy of their current FSS's, FSS unit prices, and the FSS contract expiration dates applicable to items offered as well as any other information required by the Contracting Officer.

(f) Upon acceptance by the Government, the award unit prices will be established at the list prices minus the offered discounts provided the resulting contract unit prices do not exceed the current FSS unit price for the same item. Accordingly, offers are cautioned to propose discounts which, when applied to the list prices, will not exceed FSS unit prices.

(g) Downward Adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in either 1) List prices or 2) FSS unit prices when the reduction results in a revised FSS Price which is now lower than the current contract unit price. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in list price and any FSS unit price reduction which results in an FSS unit price which is now lower than the current contract unit price. If the offered price decrease is based upon a reduction in list price or FSS price, the Contractor shall propose a lower Contract Unit Price taking into consideration the benchmarks in paragraphs (g)(2) and (3) below. The Contractor must furnish a copy of the revised Catalog/Price List or FSS Unit Price as soon as it is available. Also, for reductions in List Prices, the Contractor must provide a copy of the "E-CAT file" at least 60 days prior to the date when the reduced List Prices take effect. For reductions in FSS, the Contractor shall provide a copy of the E-CAT file at least 30 days prior to the date the reduced FSS Unit Price takes effect.

In addition to the "E-CAT file" and any other information required by the Contracting Officer, the Contractor shall also separately furnish, within the appropriate timeframe above (i.e., at least 60 days for a reduction in List Price; at least 30 days for a reduction in FSS), an Excel spreadsheet or ACCESS database (in both hard copy and disc) that displays for each item with an offered decrease in Contract Unit Price the appropriate information below:

(i) For list price or FSS changes: The item number; e.g., 0001AA.

(ii) For list price or FSS changes: The Supplier (Catalog); e.g., ABC Imaging, Inc.

(iii) For list price or FSS changes: The Product Name/Nomenclature; e.g., High Speed Handpiece.

(iv) For list price or FSS changes: Part Number; HIH 2000

(v) For list price or FSS changes: The list price upon which the current Contract Unit Price is based.

(vi) For list price or FSS changes: The applicable Contract Discount used as a basis for determining the current Contract Unit Price.

(vii) For list price or FSS changes: The Contract Unit Price currently in effect.

(viii) For list price changes: The reduced list price.

(ix) For list price or FSS changes: The applicable contract discount or larger contract discount now offered.

(x) For list price or FSS changes: The reduced Contract Unit Price now offered.

(xi) For list price changes: The percentage decrease in list price from the list price which determined the current contract unit price to the new, lower list price.

(xii) For list price changes: The percentage change in contract unit price from the current contract unit price to the new lower contract unit price now offered.

(xiii) For FSS changes: The current FSS unit price which is about to expire and the new reduced FSS Unit Price which will replace it and triggered this contract unit price reduction.

(xiv) For list price changes: For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS Unit Price(s) for the same item.

(2) Reductions in list price(s). If the offered price decrease is based upon a reduction in the list price, the appropriate discount or larger discount now offered will be applied to each reduced list price to determine the adjusted contract unit price provided the proposed lower contract unit price does not exceed the lower of the following two benchmarks:

(i) The offered reduction in contract unit price on a percentage basis must be at least equal to the percentage reduction from the list price currently in effect under the contract to the new lower list price; i.e., the current contract unit price must, as a minimum, be reduced by the percentage decrease in list price.

(ii) The new proposed lower contract unit price shall not exceed the current FSS unit price for the same item.

(3) FSS price reductions. If the offered price decrease is based upon a reduction in the FSS price, the proposed lower contract unit price shall not exceed the following benchmark:
The new proposed lower Contract Unit Price shall not exceed the revised lower FSS Price for the same item.

(4) If the proposed contract unit price exceeds the lower of the appropriate list price benchmarks (for reductions based upon reduced list prices) or the FSS Price benchmark (for reductions based upon reduced FSS Prices), the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the appropriate benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s) and the list price(s) and discount(s) which make up these prices.
Changes based upon FSS price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted Contract Unit Price which does not exceed the revised lower FSS Price.) If an agreement cannot be reached the Contracting Officer has the option of removing these items from the E-CAT system or taking the action in the last sentence below. If the proposed contract unit price does not exceed the lowest of the appropriate list price or FSS Price benchmarks, it will be determined fair and reasonable.
Upon acceptance of any proposed price decreases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the reduced contract unit prices. (Changes based upon FSS price reductions will be expressed in terms of the current list price and an appropriate discount which results in an adjusted contract unit price which does not exceed the revised lower FSS price.) These reduced contract unit prices shall apply to those items ordered on or after the date when these prices

appear in the contract electronic catalog residing in the E-CAT system (Revisions will not be added to the electronic catalog prior to date they take effect).
If the Contractor fails to notify the Contracting Officer of any list price or FSS Price decreases within the timeframe and in the manner stated above or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Contractor's established List or FSS Prices.

(h) Upward Adjustments.

(1) Upward adjustments may be requested at any time. However, any request for upward price adjustment must be based upon increases in List Prices only. The Contractor shall propose a Contract Unit Price taking into consideration the benchmarks in paragraph (g)(2). The request shall include a copy of the revised Catalog/Price List, the "E-CAT file" and the following for each item with a proposed increase in Contract Unit Price:

(i) A separate Excel spreadsheet or ACCESS database, in both hard copy and disc, that displays for each item with a proposed price increase the following information:

(A) The item number; e.g., 0003.

(B) The Supplier(Catalog); e.g., ABC Dental, Inc.

(C) The Product Name/Nomenclature; e.g., High Speed Handpiece.

(D) The Part Number; e.g., HIH2000.

(E) For the initial year, the list price that determined the Award Unit Price, the applicable Contract Discount, and the Award Unit Price. For all subsequent contract years, the list price that determined the highest Contract Unit Price that was in effect at any time during the preceding Contract Year, the applicable discount, and the highest Contract Unit Price that was in effect during the preceding Contract Year.

(F) The increased list price and its effective date, the applicable Contract Discount or larger Contract Discount now offered, and the proposed higher Contract Unit Price.

(G) For the initial year, the percentage change from the list price that determined the award unit price to the new higher list price. For all subsequent contract years, the percentage change from the list price that determined the highest contract unit price that was in effect at any time during the preceding contract year to the new higher list price.

(H) For the initial year, the percentage change from the award unit price to the new higher proposed contract unit price. For all subsequent contract years, the percentage change from the highest contract unit price that was in effect at any time during the preceding contract year to the new higher proposed contract unit price.

(I) For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS Unit Price(s) for the same item.

(J) Any other information required by the Contracting Officer.

(2) Benchmarks. If any list price increases, and the increase is authorized under this clause, the contract unit prices for any corresponding items ordered after the increase takes effect in the E-CAT system shall be determined using the increased list price and either the applicable discount originally awarded or any larger discount now offered that applies to the affected item. Proposed increases will be considered fair and reasonable if they do not exceed whichever is the lowest of the following three benchmarks:

(i) For the initial year of the contract, the proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the list price that determined the award unit price to the new higher list price. For all subsequent contract years, the proposed increase in contract unit price on a percentage basis cannot exceed the percentage increase from the list price that determined the highest

contract unit price that was in effect at any time during the preceding contract year to the new higher list price.

(ii) Any proposed higher Contract Unit Price shall not exceed the current FSS Unit Price for the same item.

(iii) Any proposed higher contract unit prices are subject to the following limitations:

(A) For the initial Contract Year, Contract Unit Price increases shall be limited to the following annual ceiling(s) applied to the award unit price for the same item (i.e., any proposed higher Contract Unit Price cannot exceed the award unit price plus the annual ceiling).

(B) For all subsequent contract years, contract unit price increases shall be limited to the following annual ceiling(s) applied to the highest contract unit price in effect during the preceding contract year for the same item (i.e., any proposed higher contract unit price cannot exceed the highest contract unit price in effect during the preceding contract year plus the annual ceiling.)

Annual Ceiling, All Items: 10%

There is no percentage limit on downward adjustments under this clause.

(3) Upon approval of the proposed price increases, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. Upward price adjustments shall be effective once they appear in the contract electronic catalog residing in the E-CAT system. These updates will take place within 60 days after receipt of the Contractor's request for upward price adjustment (or at the same time the increased list price takes effect, whichever is later) unless the Contracting Officer is unable to determine during that period that a price increase on any item or items is fair and reasonable (i.e., the proposed Contract Unit Price exceeds the lowest of the three benchmarks above). In this case, no price increases will be authorized for those items until the Contracting Officer is able to determine the price increases for those items to be fair and reasonable.

If necessary, the Contracting Officer shall conduct discussions with the Contractor to negotiate a price reduction which results in a Contract Unit Price that does not exceed the lowest of the three benchmarks. When discussions have concluded and an agreement which results in fair and reasonable prices is reached, the Contractor shall confirm the agreed-to price(s) in writing and forward an E-CAT file which includes the agreed-to price(s). (The agreement shall also identify the list price and discount which makes up each agreed-to price.)

Once the written agreement is received, the Government shall modify the contract electronic catalog residing in the E-CAT System to include the increased contract unit prices. (No increase will be effective prior to the date the increased list price(s) take effect.) If the Contracting Officer and the Contractor are unable to agree upon the price for any items, the Contracting Officer will delete these items from the catalog in the E-CAT System.

In addition, the Contracting Officer may also, at any time, remove any item from the catalog in the E-CAT System that the Contracting Officer believes is no longer reasonably priced (if the Contracting Officer and the Contractor are unable to agree upon a reduced price) and notify customers accordingly.

(4) Isolated incidents may occur for an item or group of items when proposed increases could exceed the annual ceiling benchmark in paragraph (h)(2)(iii). In such cases the Contractor can submit an adequately justified written request for Contracting Officer approval of an increase in contract unit price that exceeds the ceiling. The Contracting Officer may approve the request on a one-time basis, increase the ceiling for the item or group of items if appropriate, negotiate a lower contract unit price, or delete the item(s) from the contract electronic catalog residing in the E-CAT system. In no case may the increase in contract unit price exceed the ceiling without written authorization from the Contracting Officer. Also, no increase will be authorized that results in a contract unit price that exceeds the other benchmarks.

(5) Any increased list prices shall not be used to compute contract unit prices for Delivery Orders issued before the date the adjusted contract unit prices take effect under the Contract (i.e., the date they appear in the contract electronic catalog residing in the E-CAT system).

(6) If the Contracting Officer removes items from the E-CAT system for price unreasonableness (see (g)(4) and (h)(3)and (4) above), all outstanding orders issued prior to the date the items are removed shall be delivered in accordance with the contract delivery schedule and the Government shall pay for such items at the contract unit price in effect at the time of the order.

(i) If the Contracting Officer at any time has any reason to believe that the established list price has been discontinued, the basis for the list price has been substantially altered, or that the item no longer meets the criteria to qualify as an established catalog priced item, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that any of the preceding conditions are present and a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute for determining adjustments pursuant to this or another appropriate clause. The Contract shall be modified to incorporate the substitute and its effective date.

(j) Pricing actions pursuant to paragraph (c) entitled "Changes" of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(k) Pending approval of any proposed price changes and revision of the contract unit prices in the contract electronic catalog residing in the E-CAT System, payment shall be made at the contract unit prices in effect at the time of order.

(l) Voluntary price reductions (VPR): A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time.

The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the contract unit price(s) in effect at that time.

If a list price (or FSS Unit Price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a contract unit price increase based upon an increased list price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9049 Economic Price Adjustment (EPA) of the Annual Management Fee(s) and Annual Management Cost(s) for the Option Years.

As prescribed in 16.203-4(d)(2)(91), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) OF THE ANNUAL MANAGEMENT FEE(S) AND ANNUAL MANAGEMENT COST(S) FOR THE OPTION YEARS (NOV 2011)

(a)(1) The Contractor warrants that the prices/costs and fees included in the Solicitation/Contract do not include allowances for any portion of the contingency covered by this clause. Any management fees and related management costs applicable to this contract (e.g., inventory and/or program) shall be calculated in accordance with this clause. The type(s) of management fee(s) and related management cost(s) that apply are specified elsewhere in this contract.

(2) Adjustments under this clause are predicated upon the Government exercising one or more option year extensions. The Government, at its discretion may choose to exercise or not exercise an option to extend the contract.

(b) The economic indicator for the purpose of calculating the management fee(s) (expressed as a percentage) and management cost(s) for each option year except the initial option year* under this clause shall be the initial publication of the preliminary producer price index for code number 4931104931101 entitled General Warehousing And Storage. This information is contained in the publication entitled "Producer Price Indexes", as published by the United States (U.S.) Department of Labor (DoL), Bureau of Labor Statistics (BLS). The preliminary index for a given month is available approximately two weeks into the following month. The index is also available through the Bureau of Labor Statistics web site at www.bls.gov. Click on “get detailed statistics” and select “series report”. Enter Series ID pcu4931104931101, select number of years and format for output, and then select “retrieve data” at the bottom of the page. (*Note: The base index for the first option year will use the revised PPI).

(c) This clause authorizes only one calculation annually (see paragraph (d)) to determine the management fee(s) and management cost(s) applicable to the upcoming option year. (The management fee(s) and management cost(s) for the base contract period are not subject to adjustment under this clause.) This calculation is as follows:

(1) A "base" and "adjusting" index shall be established for each option year (see paragraph (e) below).

(2) The percentage change (upward or downward) between the applicable "base" index and "adjusting" index shall be calculated.

(3) The management fee(s) for the contract year about to expire shall be increased or decreased based upon the percentage change in the indexes (see paragraph (h) for upward adjustments) in order to determine the management fee(s) for the upcoming option year. (However, for increases or decreases, Contractors may offer lower management fee(s) than those calculated in accordance with this formula).

(4) (A) The new management fee(s) for the upcoming option year shall be applied to one or more categories of guaranteed coverage (e.g., Contractor inventory material (CIM), Contractor furnished material (CFM), and Government purchased material (GPM)) as spelled out elsewhere in this contact.) The resultant subtotals represent the management cost(s) for each applicable category of guaranteed coverage and are added together to get the total management cost(s) for the upcoming option year. For payment purposes, the total management cost(s) for the upcoming option year may be paid on a monthly, quarterly, or some other basis at the discretion of the Contracting Officer.

(B) Prior to applying the new or current management fee(s) to the guaranteed coverage, the value of each category of guaranteed coverage is updated yearly by the Contracting Officer. This is accomplished by applying the DAPA, Federal Supply Schedule (FSS), ECAT, or Department of Defense (DoD) national contract price(s) (whichever is lower) in effect 60 days prior to the date the option takes effect to the quantities in each category of guaranteed coverage for the upcoming option year. The resultant subtotals represent the new value for each applicable category of guaranteed coverage and added together, represents the total inventory value for the upcoming option year.

(d)(1) Adjustment requests and notifications.

(i) If the “adjusting” index is higher than the “base” index, the Contractor may request an increase in accordance with the terms of this clause in the management fee(s) applicable to the upcoming option year. This written request must be received by the Contracting Officer within 30 days after the indexes used to calculate the adjusting index are available. The request may be generic or may include the specific calculations required by this clause to determine the revised management fee(s). When making the calculations, the 10% ceiling (paragraph (h) below) shall be taken into consideration. The Contractor has the option of proposing a management fee based upon these calculations or a lower management fee(s).

(ii) If the “adjusting” index is lower than the “base” index, a decrease in the management fee(s) is mandated by this clause. As above, the Contractor shall notify the Contracting Officer in writing of this decrease. This notification must be received by the Contracting Officer within 30 days after the indexes used to calculate the adjusting index are available. The notification may be generic or may include the

specific calculations required by this clause to determine the revised management fee(s). The Contractor has the option of proposing the inventory management fee(s) based upon these calculations or a lower management fee(s).

(2) Upon receipt of a request for an upward adjustment or notification of a downward adjustment by the Contractor, the Contracting Officer shall review and validate the Contractor's submittal. If acceptable, the Contracting Officer will calculate the management fees, if necessary, and the management cost(s) for the upcoming option year in accordance with paragraph (c) (4) above. If no increase is requested and a mandated decrease is not warranted, the Contracting Officer shall use the current management fee(s) to calculate the management cost(s) applicable to the upcoming option year. In either case, the management fee(s), management cost(s), and the total inventory value reserved for this contract for the upcoming option year shall be included in a contract modification.

If a request for an upward adjustment is received after the required 30-day timeframe, the Contracting Officer reserves the right to reject the request, as money may not available to fund the increase. If funds are available, the Contracting Officer shall have 30 days from the date the Contractor's request is received to review the request, make the required calculations and issue an adjustment modification. The upward adjustment shall take effect on the same day the modification takes effect. If a notification of a downward adjustment is not submitted until after the required 30-day timeframe or the Contractor fails to notify the Contracting Officer of a decrease, the Contracting Officer shall unilaterally make the required adjustments in accordance with this clause. The effective date of the downward adjustment shall be retroactive to the date the new option year takes effect.

(e) Determining the "base" and "adjusting" indexes.

(1) First option year:

(i) The base index shall be the arithmetic average of the revised indexes published for the month before and the month of the closing of the final proposal revisions.

(ii) The adjusting index shall be the arithmetic average of the preliminary indexes published for the third and fourth month prior to the month the base period expires (e.g., if the base period expires in June, the adjusting index would be the average of the indexes published for February and March of the base period.)

(2) Subsequent option years:

(i) The base index for any upcoming option year shall be the previously established adjusting index (e.g., the base index for the upcoming 2nd option year shall be the adjusting index established for the first option year. Note: If no adjustment was made for option year 1, determine the adjusting index for that year anyway in order to establish the base index for upcoming 2nd option year. This applies to any time an adjustment is not made for a given year.)

(ii) The adjusting index for any upcoming option year shall be the arithmetic average of the preliminary indexes published for the third and fourth months prior to the month the current option year expires (e.g., if the first option year expires in June, the adjusting index for the upcoming second option year would be the average of the indexes published for February and March of the first option year.)

(f) Following is a hypothetical example of adjustment calculations to determine the inventory management fee for option year III, and the associated inventory management costs (the base and adjusting indexes, the inventory management fee for option year II, and the CIM and CFM inventory values for option year III are hypothetical and are used only to illustrate how the inventory management fee and inventory management costs are calculated. Any management fee(s) and management cost(s) that may apply would be calculated in the same manner.):

(1) Base index: 102.05 Adjusting index: 103.75

(2) Inventory management fee for option year II: 1.50%

(3) Inventory value for guaranteed coverage (CIM and CFM) for option year III. (There are only 2 categories of guaranteed coverage for this hypothetical example.):

CIM: $405,000 CFM: $300,000

(4) Calculate the inventory management fee:

(i) Establish base index (use previously established adjusting index for the option year II which is the average of the preliminary indexes published for 3rd and 4th month prior to the month option year I expires. For example, if option year I expires in June, the base index for option year III would be the average of the preliminary indexes for February and March of option year I.)

Feb Index: 101.10 Mar Index: 103.00 Base Index (Average of Feb and Mar): 102.05

(ii) Establish Adjusting Index (average of preliminary indexes published for February and March of 2nd Option Year.)

Feb Index: 102.30 Mar Index: 105.20 Adjusting Index (Average of Feb and Mar): 103.75

Adjusting Index: 103.75
Less Base Index: -102.05

Increase to index 1.70

Divide increase to index by Base Index 1.70/102.05 = 0.016659 = Adjustment Factor (1.6659 %)

Inv. Man. Fee for Yr II x Adjustment Factor plus 1 = Inv. Man. Fee for Option

Option Year III 1.50% x 1.016659 = 1.52%

Ceiling provision:

Max Fee for Option Year III cannot exceed 10% increase of Op Yr II fee Max Fee = 1.10 (ceiling) x .0150 (Inv Man Fee for Op Yr II expressed as a decimal) = .0165 (1.65%) (Maximum allowable fee 1.65%) 1.52% adjusted fee is less than 1.65% maximum fee, therefore 1.52% is new fee

(5) Contracting Officer to calculate the following:

CIM Inventory Value for OP YR III:	$405,000.00
Multiplied by 1.52% (converted to a decimal value)	x .0152
CIM Inventory Management Cost for OP YR III	$6,156.00
CFM Inventory Value for OP YR III:	$300,000.00
Multiplied by 1.52% (converted to a decimal value)	x .0152
CFM Inventory Management Cost for OP YR III	$4,560.00
CIM Inventory Management Cost for OP YR III:	$6,156.00
CFM Inventory Management Cost for OP YR III	+ $4,560.00
Inventory Management Cost for OP YR III	$10,716.00

(Total Inventory Value is $705,000, i.e., CIM Inventory Value plus CFM Inventory Value)

Note: Round all computations involving the PPIs to two decimal places.

Round adjustment factor to six decimal places.

Round inventory management fees to two decimal places when expressed as a percentage and four decimal places when expressed as a decimal.

Round all dollar figures to nearest cent.

(g) The adjusting contract modification will show all the calculations used to establish the management fee(s), management cost(s) and total inventory value covering the new option year.

(h) Any request to increase the management fee(s) in accordance with the requirements of this clause for any upcoming option year shall be limited to 10% of the same management fee(s) for the previous contract year. If the management fee(s) increase exceeds 10% of the management fee(s) for the previous

contract year, and the Contractor has requested an increase of 10% or more, the Contractor shall be limited to the 10% increase. There is no percentage limit on any decreases in the management fee(s) under this clause. Contractors can also propose lower management fee(s) than those calculated in accordance with the requirements of this clause.

(i) The Contractor shall include a statement on the final invoice for each contract year/period that amounts invoiced under this contract reflect all decreases required by this clause.

(j) Payment on this contract shall be at the current management fee(s) and management cost(s) pending the issuance of the modification establishing the management fee(s), management cost(s), and total inventory value for the applicable option year. The management fee(s) and management cost(s) will, if necessary, be retroactively adjusted if the applicable price adjustment is delayed by the Government. In this case, any retroactive adjustment shall cover performance only from when the adjustment should have taken effect but for the delay caused by the Government through the day that the EPA modification takes effect.

(k) In the event that the publication of the economic indicator is discontinued, its method of derivation is altered substantially, or the Contracting Officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate substitute method or adjustment mechanism to determine the management fee(s) and/or management cost(s). The contract shall be modified to specify the use of an appropriate substitute, which will be effective on the date the Index is no longer published, the derivation of the index is substantially altered, or the Index begins to consistently and substantially fail to reflect marked conditions.

(l) Any pricing actions pursuant to Federal Acquisition Regulation (FAR) clause 52.212-4, paragraph (c) entitled "Changes" (including any revisions by addendum thereto) or other provisions of the Contract shall be priced as though there were no provisions for economic price adjustment.

(m) No adjustment shall be made under this EPA clause unless the total change in contract amount exceeds $500.00.

(End of Clause)

52.216-9050 Economic Price Adjustment (EPA) of the Annual Inventory Holding Fee and Annual Inventory Holding Cost for the Option Years.

As prescribed in 16.203-4(d)(2)(92), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) OF THE ANNUAL INVENTORY HOLDING FEE AND ANNUAL INVENTORY HOLDING COST FOR THE OPTION YEARS (NOV 2011)

(a) The Contractor warrants that the prices/costs and fees included in the Solicitation/Contract do not include allowances for any portion of the contingency covered by this clause. Adjustments under this clause are predicated upon the Government exercising one or more option year extensions. The Government, at its discretion may choose to exercise or not exercise an option to extend the Contract.

(b) The economic indicator, for the purpose of calculating the inventory holding fee (expressed as a percentage) and inventory holding cost for each option year under this clause, shall be the prime rate, as published Monday through Friday in the Wall Street Journal.

(c) This clause authorizes only one calculation annually (see paragraph d) to determine the inventory holding fee and inventory holding cost applicable to the upcoming option year. (The inventory holding fee and inventory holding cost for the base contract period are not subject to adjustment under this clause.) This calculation is as follows:

(1) A "base" and "adjusting" prime rate shall be established for each option year (see paragraph (e) below).

(2) Determine the change in points (upward or downward) between the Base Prime Rate and Adjusting Prime Rate for the twelve-month period* which ends 60 days prior to the upcoming option year

for which the new inventory holding fee and inventory holding cost will be calculated. (*Note: The period for the adjustment for option year I may be longer or shorter than twelve months.)

(3)(i) Increases. The actual change in points up to the maximum allowed in accordance with paragraph (h) shall be added to the Inventory Holding Fee for the contract year/period about to expire to determine the inventory holding fee for the upcoming option year. Upward adjustments shall not exceed 1.50 points.

(ii) Decreases. The actual change in points shall be subtracted from the inventory holding fee for the contract year/period about to expire to determine the inventory holding fee for the upcoming option year.

(iii) For increases or decreases, Contractors may offer lower inventory holding fees than those calculated in accordance with the above.

(4) To determine the inventory holding cost for the upcoming option year, the Contracting Officer will apply the new inventory holding fee to the value of contractor furnished material inventory reserved for this contract (hereafter referred to as the CFM inventory) for the upcoming option year (i.e., the value of the CFM inventory for the upcoming option year x new inventory holding fee expressed as a decimal to four decimal places = new inventory holding cost for the upcoming option year). The Contracting Officer will update the value of the CFM inventory for each contract year by applying the current DAPA, FSS, ECAT, or DoD national contract prices (whichever is lower) to the CFM inventory coverage for the upcoming contract year. For payment purposes, the inventory holding cost for the upcoming option year may be paid on a monthly, quarterly, or some other basis at the discretion of the Contracting Officer.

(d)(1) Adjustment requests and notifications:

(i) If the adjusting prime rate is higher than the base prime rate, the Contractor may request an increase in accordance with the terms of this clause in the inventory holding fee applicable to the upcoming option year. This written request must be received by the Contracting Officer within 30 days after the adjusting prime rate is published and may be generic or may include the specific calculations required by this clause to determine the revised inventory holding fee. The ceiling provision (paragraph (h) below) must also be considered when making the calculations. The Contractor has the option of proposing an inventory holding fee based upon these calculations or a lower inventory holding fee.

(ii) If the adjusting prime rate is lower than the base prime rate, a decrease in the inventory holding fee is mandated by this clause. Accordingly, the Contractor shall notify the Contracting Officer in writing of this decrease. This notification must be received by the Contracting Officer within 30 days after the adjusting prime rate is published and may be generic or may include the specific calculations required by this clause to determine the revised inventory holding fee. The Contractor has the option of proposing the inventory holding fee based upon these calculations or a lower inventory holding fee.

(2) Upon receipt of a request for an upward adjustment or notification of a downward adjustment by the Contractor, the Contracting Officer shall review and validate the Contractor's submittal. If acceptable, the Contracting Officer will calculate the inventory holding fee, if necessary, and the inventory holding cost for the upcoming option year in accordance with paragraph (c)(4) above. If no increase is requested and a mandated decrease is not warranted, the Contracting Officer shall use the current inventory holding fee to calculate the inventory holding cost for the upcoming option year. In either case, the inventory holding fee, inventory holding cost, and the value of the CFM inventory for the upcoming option year shall be included in a contract modification.

(3) If a request for an upward adjustment is received after the required 30-day timeframe, the Contracting Officer reserves the right to reject the request, as money may not available to fund the increase. If funds are available, the Contracting Officer shall have 30 days from the date the Contractor's request is received to review and validate the request, make the required calculations and issue an adjustment modification. The upward adjustment shall take effect on the same day the modification takes

effect. If a notification of a downward adjustment is not submitted until after the required 30-day timeframe or the Contractor fails to notify the Contracting Officer of a decrease, the Contracting Officer shall unilaterally make the required adjustments in accordance with this clause. The effective date of the downward adjustment shall be retroactive to the date the new option year takes effect.

(e) Determining the "base" and "adjusting" indexes.

(1) The base prime rate used to calculate the inventory holding fee and inventory holding cost covering option year I under this clause shall be the prime rate, as published on the date of closing of the final proposal revision. The base prime rate used to calculate the inventory holding fee and inventory holding cost for each subsequent option year shall be the prime rate, as published 60 days prior to the effective date of each previous option year (e.g., the base prime rate for option year III will be the prime rate published 60 days prior to the effective date of option year II.)

(2) The adjusting prime rate used to calculate the inventory holding fee and inventory holding cost for each option year shall be the prime rate, as published 60 days prior to the effective date of each option year (e.g., the adjusting prime rate for option year III will be the prime rate published 60 days prior to the effective date of option year III).

(f) Following is a hypothetical example of adjustment calculations to determine the inventory holding fee for option year III and the associated inventory holding cost. (The base and adjusting prime rates, the inventory holding fee for option year II and the value of the CFM inventory for option year III are hypothetical and are used only to illustrate how the inventory holding fee and inventory holding cost are calculated):

(1) Base prime rate (in effect 60 days prior to effective date of option year II): 4.00

(2) Adjusting prime rate (in effect 60 days prior to effective date of option year III): 5.75

(3) Current contract inventory holding fee for option year II: 3.75

(4) Calculate the inventory holding fee:

Adjusting Prime Rate: 5.75
Base Prime Rate: -4.00

Change in (Prime Rate) Points: (-Increase-) 1.75

Maximum increase allowed is 1.50 points: Clause ceiling of 1.50 is less than 1.75 calculated; therefore the allowable increase is 1.50 points.

Inventory Holding Fee for Option Year II: 3.75
Maximum Increase in Prime Rate Allowed: + 1.50

Inventory Holding Fee for Option Year III: 5.25

(5) Contracting Officer to calculate the Inventory Holding Cost:

Value of CFM Inventory as adjusted for Option Year III: $20,000,000.00

$20,000,000.00 x .0525 = $1,050,000 (Annual Inventory Holding Cost for Option Year III)

(g) The adjusting contract modification will show all the calculations used to establish the inventory holding fee, inventory holding cost, and the value of the CFM inventory covering the new option year.

(h) Any request to increase the Inventory Holding Fee in accordance with the requirements of this clause for any upcoming option year shall be limited to the point increase (in increments of 0.25) in the prime rate, up to, but not exceeding 1.50 points. This will be determined when calculating the change in points in the prime rate using the base and adjusting prime rates described in paragraph (c)(2) and (c)(3)(i) and illustrated in paragraph (f). If the prime rate increase exceeds 1.50 points and the Contractor has requested an increase of 1.50 points or more, the Contractor shall be given the 1.50 point increase. There are no limitations on downward adjustments under this clause. Contractors can also propose lower inventory holding fees than those calculated in accordance with the requirements of this clause.

(i) The Contractor shall include a statement on the final invoice for each contract year/period that amounts invoiced under this contract reflect all decreases required by this clause.

(j) Payment on this contract shall be at the current inventory holding fee and inventory holding cost pending the issuance of the modification establishing the new inventory holding fee, inventory holding cost, and value of the CFM inventory for the applicable option year. The inventory holding fee and inventory holding cost will, if necessary, be retroactively adjusted if the applicable price adjustment is delayed by the Government. In this case, any retroactive adjustment shall cover performance only from when the adjustment should have taken effect but for the delay caused by the Government through the day that the EPA modification takes effect.

(k) In the event that the prime rate is discontinued, its method of derivation is altered substantially, or the Contracting Officer determines that the prime rate consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate substitute method or adjustment mechanism to determine the annual inventory holding fee and/or inventory holding cost. The Contract shall be modified to specify the use of an appropriate substitute, which will be effective on the date the prime rate is no longer published, the derivation of the prime rate is substantially altered, or the prime rate begins to consistently and substantially fail to reflect market conditions. If the base or adjusting prime rates established in paragraph (e) above fall on a day the prime rate is not published, use the next day the prime rate is published.

(l) Any pricing actions pursuant to Federal Acquisition Regulation (FAR) clause 52.212-4, paragraph (c) entitled "Changes" (including any revisions by addendum thereto) or other provisions of the Contract shall be priced as though there were no provisions for economic price adjustment.

(m) No adjustment shall be made under this EPA clause unless the total change in contract amount exceeds $500.00.

(End of Clause)

52.216-9051 Economic Price Adjustment – Federal Ceiling Prices – One Adjustment Per Year.
As prescribed in 16.203-4(d)(2)(93), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – FEDERAL CEILING PRICES – ONE ADJUSTMENT PER YEAR (NOV 2011)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Federal ceiling price or Federal Supply Schedule (FSS) Price for each item. The clause also provides for voluntary price reductions (VPR) in the form of “specials” or “discounts”. The Government reserves the right not to exercise an Option.

(b) The offeror/Contractor warrants that any contract unit prices determined using the Federal ceiling price or FSS Price do not include allowances for any portion of the contingency covered by this clause.

(c) Prior to award, the Contractor must furnish a copy of the current Federal ceiling price, FSS Price, the Veteran Administration (VA) approval of those prices, and any other information required by the Contracting Officer. During the life of the contract, any changes to the Federal ceiling price and the FSS Price, as well as the VA’s approval of those price changes and any other information required by the Contracting Officer, must be furnished in writing not later than 15 workdays after the effective dates of those price changes.

(d) Award unit prices shall not exceed the current federal ceiling price as well as any current FSS price in effect for the same item.

(e) Downward Adjustments.

(1) During the base year of the contract, downward adjustments to contract unit prices are mandated whenever there are decreases in the Federal ceiling price and/or whenever a reduction to the FSS price

results in a revised FSS price which is now lower than the current contract unit price. During the Option years of the contract, downward adjustments to contract unit prices are mandated whenever reductions to the Federal ceiling price and/or the FSS price results in a revised Federal ceiling price and/or FSS price that is lower than the current contract unit price.

The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in the Federal ceiling price and/or FSS price. The Contractor shall propose a lower contract unit price taking into consideration the benchmarks in paragraphs (e)(2) and (3) below. The Contractor must furnish a copy of the revised Federal ceiling price and/or FSS price within 15 workdays after it takes effect.

If the decrease is based upon a lower Federal ceiling price (FCP), the Contractor shall furnish the information in (i)-(viii) below. If the decrease is based upon a lower FSS Price, the Contractor shall furnish the information in (i), (iii), (v), (vi), (viii), and (ix) below.

(i) FCP/FSS: The item number; e.g., 0002.

(ii) FCP: The previous Federal ceiling price.

(iii) FCP/FSS: The Federal ceiling price now in effect.

(iv) FCP: The percentage change in Federal ceiling price from the previous Federal ceiling price to the new, lower Federal ceiling price.

(v) FCP/FSS: The current Contract Unit Price.

(vi) FCP/FSS: The reduced Contract Unit Price now offered.

(vii) FCP: The percentage decrease from the current Contract Unit Price to the new lower Contract Unit Price.

(viii) FCP/FSS: For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS price(s) for the same item.

(ix) FSS: For any items offered to the DVA under the FSS, the previous FSS price(s) for the same item.

(2) Federal ceiling price reduction. If the offered price decrease is based upon a reduction in the Federal ceiling price, the proposed lower contract unit price shall not exceed the lower of the following two benchmarks:

(i) For the base contract year adjustment, the offered reduction in contract unit price on a percentage basis must be at least equal to the percentage reduction from the previous Federal ceiling price under the contract to the new lower Federal ceiling price; i.e., the current contract unit price, must, as a minimum, be reduced by the percentage decrease in Federal ceiling price. For each option year adjustment, the new proposed lower contract unit price shall not exceed the new Federal ceiling price.

(ii) The new proposed lower contract unit price shall not exceed the current FSS price for the same item.

(3) FSS price reduction. If the offered price decrease is based upon a reduction in the FSS Price, the proposed lower contract unit price shall not exceed the lower of the following two benchmarks:

(i) The new proposed lower contract unit price shall not exceed the revised lower FSS Price for the same item.

(ii) The new proposed lower contract unit price shall not exceed the current Federal ceiling price.

(4) If the proposed contract unit price exceeds the lower of the appropriate Federal Ceiling Price benchmarks (for reductions based upon a reduced Federal Ceiling Price) or FSS Price benchmarks (for reductions based upon a reduced FSS Price), the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the appropriate benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s).) If the proposed Contract Unit Price does not exceed the lower of the appropriate Federal Ceiling Price or FSS Price benchmarks, it will be determined fair and reasonable.

Upon approval of the proposed price decrease, the Government shall modify the contract to include the reduced Contract Unit Price which, will take effect on the same day that the reduced Federal Ceiling Price or FSS Price takes effect, as appropriate. The modification will also show the current Federal Ceiling Price and FSS Price. The adjusted Contract Unit Price shall apply to those items ordered on or after the new Federal Ceiling Price or FSS Price takes effect, as appropriate. Any delivery orders issued after the reduced Federal Ceiling Price or FSS Price takes effect but before the Contracting Officer modifies the contract to incorporate the reduced Contract Unit Price, will be retroactively reduced to the new lower Contract Unit Price (see paragraph (i)).

If the Contractor fails to notify the Contracting Officer of any Federal Ceiling Price or FSS Price decreases within the timeframe and in the manner stated above, or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Federal Ceiling Price or FSS Price, as appropriate.

(f) Upward adjustments.

(1) The Contractor is authorized to submit one request for upward adjustment to the Contract Unit Price each Contract Year (i.e. one adjustment during the Base Year and one adjustment during each Option Year, if the option is exercised by the Government). The request for upward price adjustment must be based upon increases in the Federal Ceiling Price and shall be submitted no later than 15 workdays after the effective date of the new Federal Ceiling Price. The Contractor shall propose a Contract Unit Price taking into consideration the benchmarks in paragraph (f)(2). The request shall be in writing and include the following:

(i) The item number; e.g., 0002.

(ii) The previous Federal ceiling price.

(iii) The increased Federal Ceiling Price now in effect.

(iv) The percentage change from the previous Federal Ceiling Price to the new, higher Federal Ceiling Price.

(v) The current contract unit price in effect.

(vi) The increased Contract Unit Price now proposed.

(vii) The percentage change from the current Contract Unit Price in effect to the new proposed higher Contract Unit Price.

(viii) For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS price(s) for the same item.

(ix) For any items offered to the DVA under the FSS, the previous FSS price(s) for the same item.

(x) Any other information required by the Contracting Officer.

(2) Upon receipt of the request for a Contract Unit Price increase based upon an increase in the Federal Ceiling Price, the Contracting Officer shall review the information the Contractor is required to submit and verify that the proposed increase is fair and reasonable. The proposed increase will be considered fair and reasonable if it does not exceed whichever is the lower of the following two benchmarks:

(i) For the Base Contract Year adjustment, the proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the previous Federal Ceiling Price to the new higher Federal Ceiling Price; i.e., the proposed Contract Unit Price cannot exceed the current Contract Unit Price plus the percentage increase in the Federal Ceiling Price. For each Option Year adjustment, the new proposed higher Contract Unit Price shall not exceed the new Federal Ceiling Price.

(ii) The proposed higher Contract Unit Price shall not exceed the current FSS Price for the same item.

(3) If the proposed higher Contract Unit Price exceeds the lower of the two benchmarks, the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the lower of the two benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s)). If the proposed increased Contract Unit Price does not exceed the lower of the two benchmarks, it will be determined fair and reasonable. Upon approval of the proposed price increases, the Government shall modify the contract to include the increased Contract Unit Price(s). The modification will also show the current Federal Ceiling Price and FSS Price. If the request for price increase is submitted within the required 15-day timeframe (see (f)(1)), the effective date of the increased Contract Unit Price will be on the same day the new Federal Ceiling Price takes effect and this increase shall apply to all orders issued thereafter.

Accordingly, any delivery orders issued after the increased Federal Ceiling Price takes effect but before the Contracting Officer modifies the contract to incorporate the increased Contract Unit Price(s), will be retroactively increased to the new higher Contract Unit Price (see paragraph (i)). If the request for increase is not received within the 15-day timeframe, the Contracting Officer reserves the right not to retroactively adjust any orders issued before an adjusting modification is issued. In this case, the effective date of the increase will be on the same day the adjusting modification takes effect.

(g) If the Contracting Officer at any time has any reason to believe that the Federal Ceiling Price or FSS price has been discontinued, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute method for determining adjustments. The Contract shall be modified to incorporate the substitute and its effective date.

(h) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(i) Pending the issuance of an adjusting modification revising the Contract Unit Price, payment shall be made at the contract unit prices in effect at the time of order.

(j) Any increased Federal Ceiling Price shall not be used to compute contract unit prices for Delivery Orders issued before the date the increased Federal Ceiling Price takes effect.

(k)(1) Voluntary Price Reductions (VPR): A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are included, and the length of time the VPR will remain in effect. Once the "special or discount" period expires, prices will revert to the Contract Unit Price(s) in effect at that time.

(2) If the Ceiling Price (or FSS Unit Price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a Contract Unit Price increase based upon an increased Federal Ceiling Price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9052 Economic Price Adjustment – Federal Ceiling Prices – One Adjustment Per Year.
As prescribed in 16.203-4(d)(2)(94), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – FEDERAL CEILING PRICES – ONE ADJUSTMENT PER YEAR (NOV 2011)

(a) All price adjustments authorized or mandated by this clause are based upon changes in the Federal Ceiling Price or Federal Supply Schedule (FSS) Price for each item. The clause also provides for voluntary price reductions (VPR) in the form of "specials" or "discounts". The Government reserves the right not to exercise an option.

(b) The offeror/Contractor warrants that any contract unit prices determined using the Federal Ceiling Price or FSS Price do not include allowances for any portion of the contingency covered by this clause.

(c) Prior to award, the Contractor must furnish a copy of the current Federal Ceiling Price, FSS Price, the Department of Veteran Affairs (VA) approval of those prices, and any other information required by the Contracting Officer. During the life of the contract, any changes to the Federal Ceiling Price and the FSS Price, as well as the VA's approval of those price changes and any other information required by the Contracting Officer, must be furnished in writing not later than 15 workdays after the effective dates of those price changes.

(d) Award unit prices shall not exceed the current Federal ceiling price as well as any current FSS price in effect for the same item.

(e) Downward adjustments.

(1) Downward adjustments to contract unit prices are mandated whenever there are decreases in the Federal Ceiling Price and/or whenever a reduction to the FSS Price results in a revised FSS Price which is now lower than the current Contract Unit Price. The Contractor shall promptly notify the Contracting Officer in writing of the amount and effective date of each decrease in the Federal Ceiling Price and/or FSS Price. The Contractor shall propose a lower Contract Unit Price taking into consideration the benchmarks in paragraphs (e)(2) and (3) below. The Contractor must furnish a copy of the revised Federal Ceiling Price and/or FSS Price within 15 workdays after it takes effect. If the decrease is based upon a lower Federal Ceiling Price (FCP), the Contractor shall furnish the information in (i)-(viii) below. If the decrease is based upon a lower FSS Price, the Contractor shall furnish the information in (i), (iii), (v), (vi), (viii), and (ix) below.

(i) FCP/FSS: The item number; e.g., 0002.

(ii) FCP: The previous Federal Ceiling Price.

(iii) FCP/FSS: The Federal Ceiling Price now in effect.

(iv) FCP: The percentage change in Federal Ceiling Price from the previous Federal Ceiling Price to the new, lower Federal Ceiling Price.

(v) FCP/FSS: The current Contract Unit Price.

(vi) FCP/FSS: The reduced Contract Unit Price now offered.

(vii) FCP: The percentage decrease from the current Contract Unit Price to the new lower Contract Unit Price.

(viii) FCP/FSS: For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS price(s) for the same item.

(ix) FSS: For any items offered to the DVA under the FSS, the previous FSS price(s) for the same item.

(2) Federal Ceiling Price Reduction. If the offered price decrease is based upon a reduction in the Federal Ceiling Price, the proposed lower Contract Unit Price shall not exceed the lower of the following two benchmarks:

(i) The offered reduction in Contract Unit Price on a percentage basis must be at least equal to the percentage reduction from the previous Federal Ceiling Price under the contract to the new lower Federal Ceiling Price; i.e., the current Contract Unit Price, must, as a minimum, be reduced by the percentage decrease in Federal Ceiling Price.

(ii) The new proposed lower Contract Unit Price shall not exceed the current FSS Price for the same item.

(3) FSS Price Reduction. If the offered price decrease is based upon a reduction in the FSS Price, the proposed lower Contract Unit Price shall not exceed the lower of the following two benchmarks:

(i) The new proposed lower Contract Unit Price shall not exceed the revised lower FSS Price for the same item.

(ii) The new proposed lower Contract Unit Price shall not exceed the current Federal Ceiling Price.

(4) If the proposed Contract Unit Price exceeds the lower of the appropriate Federal Ceiling Price benchmarks (for reductions based upon a reduced Federal Ceiling Price)or FSS Price benchmarks (for reductions based upon a reduced FSS Price), the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the appropriate benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s).) If the proposed Contract Unit Price does not exceed the lower of the appropriate Federal Ceiling Price or FSS Price benchmarks, it will be determined fair and reasonable. Upon approval of the proposed price decrease, the Government shall modify the contract to include the reduced Contract Unit Price which, will take effect on the same day that the reduced Federal Ceiling Price or FSS Price takes effect, as appropriate. The modification will also show the current Federal Ceiling Price and FSS Price. The adjusted Contract Unit Price shall apply to those items ordered on or after the new Federal Ceiling Price or FSS Price takes effect, as appropriate. Any delivery orders issued after the reduced Federal Ceiling Price or FSS Price takes effect but before the Contracting Officer modifies the contract to incorporate the reduced Contract Unit Price, will be retroactively reduced to the new lower Contract Unit Price (see paragraph I).

If the Contractor fails to notify the Contracting Officer of any Federal Ceiling Price or FSS Price decreases within the timeframe and in the manner stated above, or agreement on any reduction cannot be reached, the Contracting Officer may determine the applicable adjustment and authorize a unilateral price adjustment retroactively applied to all items ordered on or after the effective date of the decrease in the Federal Ceiling Price or FSS Price, as appropriate.

(f) Upward Adjustments.

(1) The Contractor is authorized to submit one request for upward adjustment to the Contract Unit Price each Contract Year (i.e. one adjustment during the Base Year and one adjustment during each Option Year, if the option is exercised by the Government). The request for upward price adjustment must be based upon increases in the Federal Ceiling Price and shall be submitted no later than 15 workdays after the effective date of the new Federal Ceiling Price. The Contractor shall propose a Contract Unit Price taking into consideration the benchmarks in paragraph (f)(2). The request shall be in writing and include the following:

(i) The item number; e.g., 0002.

(ii) The previous Federal Ceiling Price.

(iii) The increased Federal Ceiling Price now in effect.

(iv) The percentage changed from the previous Federal Ceiling Price to the new, higher, Federal Ceiling Price.

(v) The current Contract Unit Price in effect.

(vi) The increased Contract Unit Price now proposed.

(vii) The percentage change from the current Contract Unit Price in effect to the new, proposed, higher Contract Unit Price.

(viii) For any items offered to the Department of Veterans Affairs (DVA) under the FSS, the current FSS price(s) for the same item.

(ix) For any items offered to the DVA under the FSS, the previous FSS price(s) for the same item.

(x) Any other information required by the Contracting Officer.

(2) Upon receipt of the request for a Contract Unit Price increase based upon an increase in the Federal Ceiling Price, the Contracting Officer shall review the information the Contractor is required to submit and verify that the proposed increase is fair and reasonable. The proposed increase will be considered fair and reasonable if it does not exceed whichever is the lower of the following two benchmarks:

(i) The proposed increase in Contract Unit Price on a percentage basis cannot exceed the percentage increase from the previous Federal Ceiling Price to the new, higher, Federal Ceiling Price, i.e., the proposed Contract Unit Price cannot exceed the current Contract Unit Price plus the percentage increase in the Federal Ceiling Price.

(ii) The proposed higher Contract Unit Price shall not exceed the current FSS Price for the same item.

(3) If the proposed higher Contract Unit Price exceeds the lower of the two benchmarks, the Contracting Officer shall determine the proposed price reductions unreasonable and negotiate a price reduction which results in a Contract Unit Price that does not exceed the lower of the two benchmarks. (All negotiated price reductions shall be confirmed in writing and will include the agreed-to price(s)). If the proposed increased Contract Unit Price does not exceed the lower of the two benchmarks, it will be determined fair and reasonable.

Upon approval of the proposed price increases, the Government shall modify the contract to include the increased Contract Unit Price(s). The modification will also show the current Federal Ceiling Price and FSS Price. If the request for price increase is submitted within the required 15-day timeframe (see (f)(1)), the effective date of the increased Contract Unit Price will be on the same day the new Federal Ceiling Price takes effect and this increase shall apply to all orders issued thereafter.

Accordingly, any delivery orders issued after the new Federal Ceiling Price takes effect but before the Contracting Officer modifies the contract to incorporate the increased Contract Unit Price(s), will be retroactively increased to the new higher Contract Unit Price (see paragraph (i)).

If the request for increase is not received within the 15-day timeframe, the Contracting Officer reserves the right not to retroactively adjust any orders issued before an adjusting modification is issued. In this case, the effective date of the increase will be on the same day the adjusting modification takes effect.

(g) If the Contracting Officer at any time has any reason to believe that the Federal Ceiling Price or FSS price has been discontinued, the Contractor shall furnish relevant information as required by the Contracting Officer. If the Contracting Officer determines that a substitute for determining price adjustments is needed, the parties shall promptly agree upon an appropriate substitute method for determining adjustments. The Contract shall be modified to incorporate the substitute and its effective date.

(h) Pricing actions pursuant to paragraph (c) entitled “Changes” of Federal Acquisition Regulation (FAR) clause 52.212-4 (including any revisions by addendum thereto) or any other provision of this Contract will be priced as though there were no provisions for Economic Price Adjustment.

(i) Pending the issuance of an adjusting modification revising the Contract Unit Price, payment shall be made at the contract unit prices in effect at the time of order.

(j) Any increased Federal Ceiling Price shall not be used to compute contract unit prices for Delivery Orders issued before the date the increased Federal Ceiling Price takes effect.

(k)(1) Voluntary Price Reductions (VPR): A "special or discount" offered by the Contractor which results in a voluntary price reduction for an item or group of items for a given period of time. The Contractor may offer a VPR at any time. The price reductions resulting from these VPRs will be in addition to any price reductions mandated by this EPA clause. The Contractor shall notify the Contracting Officer when the VPR takes effect, which items are included, and the length of time the VPR will remain

in effect. Once the "special or discount" period expires, prices will revert to the Contract Unit Price(s) in effect at that time.

(2) If the Ceiling Price (or FSS Unit Price) decreases when a VPR is in effect, the VPR will remain in effect until it expires if it is lower than the proposed unit price decrease. If the Contractor requests a Contract Unit Price increase based upon an increased Federal Ceiling Price when a VPR is in effect, the VPR shall remain in effect until it expires. Upon expiration of the VPR, prices will revert to the adjusted contract unit prices, as calculated in accordance with this clause as if no VPR had been in effect.

(End of Clause)

52.216-9053 Economic Price Adjustment (EPA) - Established Market Price – Dehydrated Orange Juice.

As prescribed in 16.203-1(a)(90), 16.203-4-90, and FAR 16.203-1(a)(1), insert the following:

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE – DEHYDRATED ORANGE JUICE (NOV 2011)

(a) Warranties. The Contractor warrants that the unit prices included in the Schedule does not include allowances for any portion of the contingency covered by this clause.

(b) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for adjustments to contract prices under this clause shall be the price for Frozen Concentrated Orange Juice (FCOJ) as published daily by the New York Board of Trade (NYBoT) in the Daily Market Reports Futures.

(1) The base unit price for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the first three month's Settle prices published daily within 30 calendar days for FCOJ as published by the NYBoT immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used. Settle price as defined in financial dictionaries is an average of the trading prices in the futures market during the last few minutes of trading.

(2) The adjusting unit price shall be the arithmetic average of the of the first three month's Settle Price published daily within 30 calendar days for FCOJ as published by the NYBoT immediately preceding the date the option is exercised.

(c) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit price(s). One adjustment calculation shall be made annually to determine the unit price(s) applicable to the forthcoming option term (if exercised).

(d) Allowance Factor. For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that 1.14 pounds of Frozen Concentrated Orange Juice (FCOJ) solids is needed to produce one can of dehydrated orange juice. This allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(e) Adjustments shall be calculated as follows:

Compute the Adjusting Unit Price and the Base Unit Price of each ingredient.

(Adjusting Unit Price – Base Unit Price)/Base Unit Price = Market Price Change (+ or -).

The adjusting unit price and base unit price are based on the three month arithmetic average published by the New York Board of Trade (NYBoT) for Frozen Concentrated Orange Juice (FCOJ) as discussed in paragraphs b(1) and b(2) of this clause.

Adjusting Unit Price – Base Unit Price = Change in Price (+ or -).

The percentage change in price equals the change in price divided by the base unit price i.e. (3022/9000 = 0.3358). This change in market prices is rounded to four decimal places to determine percentage (%) market price change.

(3) Percentage Market Price Change X Price for Allowance Factor = Contract Unit Price Adjustment (+ or -) (Round to two decimal places). This calculation is used to determine upward or downward increases for price adjustments to frozen concentrated orange juice unit prices for the option periods.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (as discussed in section (e) above, the portion of the price subject to the EPA is the Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted. Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit prices.

(5) The three month average of the base unit price based on published prices by the New York Board of Trade (NYBoT) for Frozen Concentrated Orange Juice (FCOJ) used in this example was 9000.

The following examples assume identical upward or downward adjustments in the price of FCOJ to illustrate the impact on contract unit prices. In the first example of an upward adjustment, the three month adjusting unit price average for Option Year 2 was 12,022. In the second example of a downward adjustment, the three month adjusting unit price was 5,978. The change in price is multiplied times the price for the allowance factor of $1.11 which results in either an upward or downward adjustment of $0.37 in the unit price.

In the actual contract modification the detailed calculation showing the daily prices, monthly average, and average prices for three months would be shown. The price adjustment would be applied to the actual quantities ordered by the Government per the terms of the contract. The minimum and maximum quantities shown below illustrate the potential price impact that would be seen in a contract modification for Option Year 2 depending on whether an upward or downward adjustment was applicable.

(f) Modification: Price adjustments made under this clause shall be effected by contract modification showing the change in contract unit price adjustment and the minimum and maximum price differential for the option year using the methodology shown below.

Calculation for Contract Unit Price Adjustment

	Upward Adjustment	Downward Adjustment
Adjusting Unit Price (NYBoT)	12022	5978
Less: Base Unit Price (NYBoT)	9000	9000
Change in Price	3022	(3022)
% Market Price Change	0.3358	(0.3358)
Multiply by the Allowance Factor	$1.11	$1.11
Contract Unit Price Adjustment	$0.37	$(0.37)

Calculation for Upward Adjusted Unit Price for Option Year 2

								Price		
		Original			Adjusted			Differential		
Min.	Max.	Unit	Min.	Max.	Unit	Min.	Max.	Unit	Min.	Max.
Qty.	Qty.	Price	Amt.	Amt.	Price	Amt.	Amt.	Price	Amt.	Amt.
10,000	120,0000	$4.75	$47,500	$570,000	$5.12	$51,200	$614,400	$0.37	$3,700	$44,400

Calculation for Downward Adjusted Unit Price for Option Year 2

								Price		
		Original			Adjusted			Differential		
Min.	Max.	Unit	Min.	Max.	Unit	Min.	Max.	Unit	Min.	Max.
Qty.	Qty.	Price	Amt.	Amt.	Price	Amt.	Amt.	Price	Amt.	Amt.

10,000	120,000 0	$4.75	$47,500	$570,000	$4.38	$43,800	$525,600	($0.37)	($3,700)	($44,400)

Legend: Min. = Minimum; Qty. = Quantity; Max. = Maximum; Amt. = Amount.

(g) Payments: Payment for an adjustment under this clause shall be at the current contract price until an adjustment modification has been effected. The Government shall pay the Contractor, upon the submission of proper invoices or vouchers, the unit price stipulated in the contract modification for the applicable option period. The Contractor also represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(h) Any pricing actions pursuant to the CHANGES clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(i) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(j) Upward ceiling on economic price adjustment: The aggregate of the increases in any contract unit price shall not exceed 10% per year of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(k) Revision of market price indicator: In the event that (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or; (ii) the Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, -- the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions

(l) Disputes: If the parties fail to agree on an appropriate substitute market price indicator, or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the DISPUTES clause of the contract.

(m) Examination of records. The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(End of Clause)

52.216-9054 ECONOMIC PRICE ADJUSTMENT - POLYMERIC TRAYPACK RATION

The clause at 52.216-9054 may be used in solicitations and contracts for polymeric traypack rations. The Contracting Officer may add additional components based upon customer requirements within paragraph (b) of the clause. Prior to incorporation of any additional component(s) into a solicitation or contract, the Contracting Officer shall provide the requested new components along with supporting documentation to the cost/price office for review and approval. DLA Troop Support will keep track of any items added and/or those that should be deleted from the clause and report to DLA HQ, Attention: J73 every two years for review and updating of the clause as necessary.

As prescribed in FAR 16.203-1(a)(1), Defense Logistics Acquisition Directive (DLAD) 16.203-1(a)(90) and 16.203-4(90) insert the following clause:

ECONOMIC PRICE ADJUSTMENT - POLYMERIC TRAYPACK RATION (SEP 2015)

(a) Warranties. For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of beef indices for beef products, an average of poultry indices for poultry products, etc.) for the period specified under the "Adjusted (ADJ.) Unit Price" below immediately preceding either the

solicitation closing date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held) or the solicitation opening date (if sealed bidding is used).

TRAY PACK ITEM	EPA FACTOR	ECONOMIC INDICATOR	PUBLICATION / PUBLISHER	PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Beef, ground, Creamed	Beef	Boneless process Beef, trimmings, Weighted Average, 85%, BPN U24	Weekly National Carlot Meat Report / USDA	Weekly	52 week period	52 week period
Turkey Cutlets In gravy	Turkey	Breasts, B/S, TOM, National Young Turkey Parts & Bulk Meat, Weighted Average Price	USDA Turkey Market News Report (Monday Edition) / USDA	Weekly	52-week period	52 week period
Ham Slices Potatoes w/cheese & ham	Ham	Ham bone-in, trimmed, 23-27#m spec 1, BPN U62	Weekly National Carlot Meat Report USDA	Weekly	52-week period	52 week period
Pork diced in sweet & sour	Pork	Picnics, fresh, Smkr trm,RS, Combo, weighted average, BPN U50	Weekly National Carlot Meat Report / USDA	Weekly	52-week period	52 week period
Chili Macaroni w/beef, corn and beans	Beef	Boneless process Beef, trimmings, Weighted average 85% BPN U24	Weekly National Carlot Meat Report / USDA	Weekly	52-week period	52 week period
Corned Beef hash	Beef	IMPS 167A, round, knuckle, trimmed, Weighted Average, BPNU12	Weekly National Carlot Meat Report / USDA	Weekly	52-week period	52 week period
Turkey Sausage Links	Turkey	Breasts, B/S, TOM, National Young Turkey Parts & Bulk Meat, Weighted Average Price	USDA Turkey Market News Report (Monday Edition) / USDA	Weekly	52-week period	52 week period
Meatballs in gravy	Beef	Boneless process Beef, trimmings, Weighted Average 85%, BPN U24	Weekly National Carlot Meat Report / USDA	Weekly	52-week period	52 week period
Spaghetti w/meatballs	Beef	Boneless process Beef, trimmings, Weighted Average 85%, BPN U24	Weekly National Carlot Meat Report / USDA	Weekly	52-week period	52 week period
Chicken breasts In gravy	Chicken Breast	Breasts – B/S, Georgia FOB Dock Prices.	USDA Broiler Market News Report	Weekly	52-week period	52 week period

			(Monday Edition) / USDA			
Chicken breast in lemon pepper sauce	Chicken Breast	Breasts – B/S, Georgia FOB Dock Prices.	USDA Broiler Market News Report (Monday Edition) / USDA	Weekly	52-week period	52 week period
Chicken, Buffalo Style in spicy sauce	Chicken	Heavy Type Hens, S.E. Heavy Live Hen Report, At Farm Buyer Loading, Weighted Average	USDA Broiler Market News Report (Monday Edition) / USDA	Weekly	52-week period	52 week period
Stuffing w/sausage	Pork	Picnics, fresh, Smkr trm,RS, Combo, Weighted Average, BPN U50	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Pork sausage Links	Pork	Picnics, fresh, Smkr trm,RS, Weighted Average, Combo, BPN U50	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Pork ribs in BBQ Sauce	Pork	Picnic cushion Meat, combo 92%, fresh or frozen, BPN U50	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Pork sausage in Cream gravy	Pork	Picnics, fresh, Smkr trm,RS, Combo, Weighted Average, BPN U50	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Pasta w/ground hot Italian sausage	Pork	Picnics, fresh, Smkr trm,RS, Combo, Weighted Average, BPN U50	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Beef taco filling	Beef	IMPS 167A round knuckle, trimmed, Weighted Average, BPN U12	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Blueberry dessert	Blueberries	Frozen, 30 lb f.o.b. Michigan	The Food Institute Report Monthly Price Range / USDA	Monthly	12 month period	12 month period
Beef Burgundy	Beef	IMPS 167A round knuckle, trimmed, Weighted Average, BPN U12	Weekly National Carlot Meat Report /USDA	Weekly	52-week period	52 week period
Chicken in Szechwan Style Sauce	Chicken Breast	Breasts –B/S, Georgia FOB Dock Prices.	USDA Broiler Market News Report (Monday Edition) / USDA	Weekly	52-week period	52 week period

Polypro-pylene (PP) Resin	PP Resin	Polypropylene Large Buyer Contract Price	Chemical Data/ Monthly Petrochemical & Plastics Analysis	Monthly	12 month period	12 month period
Linerboard	Linerboard	Linerboard (42-lb) Unbleached kraft, East	PPI Pulp & Paper Week	Monthly	Semi-annual	Semi-annual

In addition to the components shown above, the following are also included:

TRAY PACK ITEM	EPA FACTOR	ECONOMIC INDICATOR	PUBLICATION / PUBLISHER	PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the Adjusting Unit Price column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the Base Unit Price column in paragraph (b) immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator for the period specified under the Adjusting Unit Price column in paragraph (b) immediately preceding the effective date the option term is exercised, except for linerboard which shall require one additional adjustment six months after each option term is exercised.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis.

(f) ALLOWANCE FACTOR: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under “Portion Subject to EPA” represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in “Schedule B” the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as beef, turkey, ham, pork, chicken, and blueberries are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit, are those contingencies that can be included in the contract price and can be identified and covered separately through firm-fixed-price. This allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(1) The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of meat, potatoes, gravy, etc. that goes into a tray pack item, only an overall amount with a protein and carbohydrate requirement. Meeting the protein requirement indicates that the Contractor has put in sufficient meat quantities in the tray/pouch to satisfy the requirement. Different Contractors will put in differing quantities of beef, turkey, ham, pork, chicken breast, etc. to meet the protein performance requirements. This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(g) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the Adjusting Unit Price and the Base Unit Price.

(2) (Adjusting Unit Price – Base Unit Price)/Base Unit Price = Market Price Change (+ or -).

(3) Market Price Change X Allowance Factor = Price Adjustment (+ or -).

(4) Determine the Contract Unit Price Adjustment by computing the sum total of the price Adjustment of all items subject to EPA.

(5) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (as discussed in section (f) above, the portion of the price subject to the EPA is the Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the EPA Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(h) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(i) Payments: Payment for an adjustment under this clause shall be at the current contract price until an adjustment modification has been effected. The Government shall pay the Contractor, upon submission of proper invoices or vouchers the unit price stipulated in the contract modification for the applicable option period. The Contractor also represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(j) Any pricing actions pursuant to the “CHANGES” clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(k) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(l) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per year of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(m) Revision of market price indicator: In the event that (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially; or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially fails to reflect market conditions, -- the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(n) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(o) Authority to add additional traypack items to Polymeric Traypack Ration EPA clause. Paragraph (b) of this clause identifies 23 unique components contained in the polymeric traypack ration. These

components are selected based on historical data and may not be included in every polymeric traypack ration. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the polymeric traypack ration. The Contracting Officer will show within paragraph (b) the additional components(s).

(p) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(q) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9058 Economic Price Adjustment (EPA) – Established Market Price – Wool Cloth .
As prescribed in 16.203-4-90 (l)(1) and FAR 16.203-1(a)(1), insert the following provision:

ECONOMIC PRICE ADJUSTMENT (EPA) - ESTABLISHED MARKET PRICE – WOOL CLOTH
(SEP 2015)

(a) Warranties. For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price shall be used for adjustment(s) to contract price(s) under this clause. The established market price shall be the average price for [*Contracting officer fill in with grade of wool*] Australian Wool, clean delivered price in United States (U.S) Dollars, published during a specified period by the United States Department of Agriculture (USDA), in the "USDA Weekly National Lamb Market Summary (WNLMS)".

(1) Base unit price. The base unit price for the purpose of calculating the adjustment(s) under this clause shall be the arithmetic average price for Australian wool clean delivered [contracting officer fill-in] published during the latest four week period immediately preceding the closing date for proposals (if no discussions are held), the due date of final proposal revision (if discussions are held), or the solicitation opening date (if sealed bidding is used.)

(2) Adjusting unit price. The adjusting unit price shall be the arithmetic average price for Australian wool clean delivered [*contracting officer fill-in grade of wool*] published during the four week period immediately preceding the effective date the option term is exercised.

(c) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit price applicable to the forthcoming option term (if exercised).

(d) Allowance factor: For the purpose of the price adjustment pursuant to this clause, it shall be conclusively presumed that [Fill in with pounds of wool/yard] will be required to produce one linear yard of finished cloth. This allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance. The price adjustment under this EPA clause shall apply only to the cost of wool and shall not apply to any other direct or indirect cost or profit.

(e) Adjustments shall be calculated as follows: (Round to four decimal places).

(1) compute the adjusting unit price and the base unit price.

(2) (Adjusting unit price – base price = market price change (+ or -).

(3) Market price change x allowance factor = contract unit price adjustment, (+/-).

(4) The adjusted unit price(s) for each option period exercised shall be determined by increasing or decreasing (as appropriate) the original option unit price(s) by the contract unit price adjustment. The original option unit prices are those unit prices agreed to at time of award for the option (i.e.; 1, 2, 3, or 4) being adjusted.

The following example is provided:

Example of adjustment calculation

Base unit price calculation

Final proposal revision due date: 24 October 2006

The average mean of the prices for 22 micron, United States Department of Agriculture (USDA) grade 64's Australian wool, clean delivered price in United States (U.S.) Dollars published during the 4 week period immediately preceding the due date for Final Proposal Revisions will be used to calculate the base unit price for the wool component as follows (i.e.; the four weeks immediately preceding the due date for final proposal revisions covers the 28 day period 26 September 2006 – 23 October 2006):

Base unit price calculation

USDA Weekly National Lamb Market Summary: USDA Grade 64's (22 Micron) Australian wool clean, delivered price in U.S. dollars

Date	Price in $ (64's) (22 Micron)
20 October 2006	2.6100
13 October 2006	2.4900
06 October 2006	2.4500
29 September 2006	2.4900
Total Four Weeks	10.0400
Total /4 = Average mean price	2.5100

Note: For some four week periods, the USDA may publish fewer than 4 issues of the summary due to events such as Federal Holidays. In all such cases, only those issues published for the relevant four week period will be used in calculations.

Base award date: 18 December 2006

Adjusting unit price calculation

Option Number 1 exercised: 12 September 2007

The average mean of the prices for clean delivered 64's (22 Micron) Australian Wool in US Dollars published during the four week period immediately preceding the effective date of option invocation will be used to calculate the adjusting unit price (11 September 2007 – 15 August 2007):

Date	Price in $ 64's) (22 Micron)
07 Sep 2007	3.6100
31 Aug 2007	3.4700
24 Aug 2007	3.5800
17 Aug 2007	3.6900
Total Four Weeks	14.3500
Total /4 = Average Mean Price	3.5875

1. Calculate the Base and Adjusting Unit Price (U/P): From above, Base U/P = $2.5100 and Adjusting Unit Price = $3.5875 (Round to 4 decimal places)

2. Calculate Market Price Change (+/-): Adjusting U/P – Base U/P = $3.5875 - $2.5100 = $1.0775. (Round to 4 decimal places).

3. Calculate Contract Unit Price Adjustment (+/-): Market Price Change x Allowance Factor

$1.0775/pound x 0.2714 pound/yard = $0.2924/yard
Net Adjustment Per linear yard = $0.29 (Round to nearest cent).
4. Calculate adjusted U/P for Option No 1 (+/-): Original Option No 1 U/P (+/-) contract U/P adjustment. (Option Number 1 original option price = $10.05) $10.05 + $0.29 = $10.34.
Note: The above is a hypothetical example of an upward adjustment in the Option No 1 unit price. The dates used above are not representative of those dates anticipated to be experienced during actual contract performance.

(f) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit prices.

(g) Payments: Payment for an adjustment under this clause shall be at the current contract price until an adjustment modification has been effected. The Government shall pay the Contractor, upon the submission of proper invoices or vouchers, the unit price stipulated in the contract modification for the applicable option period. The Contractor also represent by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(h) Any pricing actions pursuant to the "CHANGES" clause or other provisions of the contract will be priced as though there were no provision for economic price adjustment.

(i) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(j) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per year of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustment under this clause.

(k) Revision of market price indicator: In the event that (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or; (ii) the Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, -- the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions

(l) Disputes: If the parties fail to agree on an appropriate substitute market price indicator, or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(m) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(End of Clause)

52.216-9059 Economic Price Adjustment - Meal Cold Weather/Long Range Patrol (MCW/LRP)
As prescribed at 16.203-4-90(l)(4) and FAR 16.203(a)(1), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) - MEAL COLD WEATHER/LONG RANGE PATROL (MCW/LRP) (SEP 2015)

(a) Warranties: For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule does not include allowances for any portion of the contingency covered by this clause.

(b) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of beef indices for beef products, an average of poultry indices for poultry products, etc.) for the period specified under the "Base Unit Price" below immediately preceding either the solicitation closing

date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held) or the solicitation opening date (if sealed bidding is used).

ITEM	MENU	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Chicken	#1	Spicy Oriental Chicken w/ Rice	Breasts, B/S, Georgia, FOB Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / 3 X Per Wk	52 Week period	52 Week period
	#5	Chicken & Rice	Breasts, B/S, Georgia, FOB Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / 3 X Per Wk	52 Week period	52 Week period
	#9	Rice and Chicken, Mexican	Breasts, B/S, Georgia, FOB Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / 3 X Per Wk	52 Week period	52 Week period
	#3	Soup, Noodle, Ramen, Instant, Fried Noodle, Cup	Flour, hard winter Kansas City cwt	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
Beef	#2	Beef Stroganoff w/ Noodles	IMPS 167A Round, Knuckle, Trimmed, Wtd, Avg. (BPN U-12)	USDA / Weekly Nation Carlot Meat Report / Weekly	52 Week period	52 Week period
	#3	Chili Macaroni	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly Nation Carlot Meat Report / Weekly	52 Week period	52 Week period
	#7	Beef Stew	IMPS 167A Round, Knuckle, Trimmed, Wtd, Avg. (BPN U-12)	USDA / Weekly Nation Carlot Meat Report / Weekly	52 Week period	52 Week period
	#8	Spaghetti w/ Meat Sauce	Flour, hard winter Kansas City cwt	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
	#3	Soup, Noodle, Ramen, Instant, Fried Noodle, Cup	Flour, hard winter Kansas City cwt	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
Pork	#10	Scrambled Eggs w/ cheese, Western style (type III- Ham dices)	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
	#11	Scrambled Eggs w/ Bacon (type II- Bacon pieces)	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
	#12	Scrambled Eggs w/ cheese, Western style (type III- Ham dices)	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period

ITEM	MENU	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Turkey	#4	Turkey Tetrazzini	Turkey Breasts, B/S, Tom	USDA / USDA Turkey Market News Report / 3 X Per Wk	52 Week period	52 Week period
Eggs	#10	Scrambled Eggs w/ cheese, Western style	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
	#11	Scrambled Eggs w/ Bacon	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
	#12	Scrambled Eggs w/ cheese, Western style	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
Cheese	#3	Cheese spread	Cheese Average Price Per Pound (Class III)	USDA / Federal Milk Order Price Announcements / Monthly	12 Month period	12 Month period
	#4	Cheese spread	Cheese Average Price Per Pound (Class III)	USDA / USDA Federal Milk Order Price Announcements / Monthly	12 Months period	12 Month period
	#10	Scrambled Eggs w/ cheese, Western style	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
	#12	Scrambled Eggs w/ cheese, Western style	National Liquid, Whole, Wtd. Avg	USDA / USDA Egg Market News / 2 X Per Wk	52 Week period	52 Week period
Non-Fat Dry Milk Powder	#1 & #12	Dairy shake	Base Skim Milk Price for Class I time 0.965 plus Advanced Butterfat Pricing Factor times 3.5	USDA / USDA, AMS, Dairy Programs / Monthly	12 Month period	12 Month period
	#10	Cocoa beverage powder	Cocoa, Ivory Coast, $ per metric ton	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
	#11	Cocoa beverage powder	Cocoa, Ivory Coast, $ per metric ton	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
	#2	Chocolate Sports Bar	Cocoa, Ivory Coast, $ per metric ton	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period
	All Accessory Packets	Non-Dairy Creamer	Soybean oil, crude; Central Illinois lb.	WSJ / WSJ Commodity Cash Prices / Daily	52 Week period	52 Week period

ITEM	MENU	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Peanut Butter / Peanuts	#3	Chocolate Peanut Pan Coated Disks	Virginia Peanuts Average Price per pound	USDA / National Agriculture Statistical Studies (NASS) Peanut Prices / Weekly	52 Week period	52 Week period
	#2 & #6	Nut & Fruit Mix	Virginia Peanuts Average Price per pound	USDA / National Agriculture Statistical Studies (NASS) Peanut Prices / Weekly	52 Week period	52 Week period
	#8	Chocolate Peanut Spread	Virginia Peanuts Average Price per pound	USDA / National Agriculture Statistical Studies (NASS) Peanut Prices / Weekly	52 Week period	52 Week period
Packaging Materials		Linerboard	Linerboard (42-lb) Unbleached Kraft, East, Sh. Ton, Semi-Annual	Miller Freeman, Inc. / Pulp & Paper Week / Weekly/Prices are Published Monthly	Semi-annual	Semi-annual
Packaging Materials		Resins	LDPE Resins, Large Buyer Price Film Liner Grade	Chemical Data / Monthly Petrochemical & Plastic Analysis / Monthly	12 month period	12 month period

In addition to the components shown above, the following are also included

ITEM	MENU	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the “Adjusting Unit Price” column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the “Base Unit Price” column in paragraph (b) immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator for the period specified under the Adjusting Unit Price column in

paragraph (b) immediately preceding the effective date the option term is exercised, except for linerboard which shall require one additional adjustment six months after each option term is exercised.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis.

(f) EPA allowance factor: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in "Schedule B" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as chicken, beef, turkey, eggs, cheese, dry milk powder, and peanuts are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(g) Performance requirement: The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (meat, flour, cheese, eggs, etc.) that goes into a Meal Cold Weather/Long Range Patrol (MCW/LRP), only an overall amount with a protein and carbohydrate requirement. Meeting the protein requirement indicates that the Contractor has put in sufficient (meat) quantities in the MCW/LRP to satisfy the requirement. (Different Contractors will put in differing quantities of chicken, beef, turkey, eggs, cheese, etc. to meet the protein performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a military specification and the cost for the items subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(h) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the adjusting unit price and the base unit price.

(2) (Adjusting unit price – base unit price)/base unit price = market price change (+ or -).

(3) Market price change x allowance factor = contract unit price adjustment (+ or -) for each item subject to EPA adjustment.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the allowance factor by the contract unit price adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Determine the contract price adjustment by computing the sum total of the price adjustment of all items subject to EPA.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(j) Payments: Payment for items pending adjustment under this clause shall be at the existing unadjusted current unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The

Contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(k) Any pricing actions pursuant to the "Changes" clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(l) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(m) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(n) Revision of market price indicator: In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(o) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(p) Authority to add additional items to this clause: Paragraph (b) of this clause identifies 30 unique components contained in the MCW/LRP. These components are selected based on historical data and may not be included in every ration. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the ration. The Contracting Officer will show within paragraph (b) the additional components(s).

(q) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(r) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9060 Economic Price Adjustment - Meal Ready To Eat (MRE) Assembly.
As prescribed at 16.203-4-90(l)(6) and FAR 16.203(a)(1), insert the following clause.

ECONOMIC PRICE ADJUSTMENT (EPA) – MEAL READY TO EAT (MRE) ASSEMBLY
(SEP 2015)

(a) Warranties: For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of beef indices for beef products, an average of poultry indices for poultry products, etc.) for the period specified under the "Base Unit Price" below immediately preceding either the solicitation closing date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held) or the solicitation opening date (if sealed bidding is used).

ITEM	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Beef Brisket	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Beef Patty	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Beef Ravioli	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Beef Stew	IMPS 167A Round, Knuckle, Trimmed, Wtd. Avg. (BPN U-12)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Southwest Beef and Black Beans	IMPS 167A Round, Knuckle, Trimmed, Wtd. Avg. (BPN U-12)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Cheese Tortellini	National Liquid, Whole, Wtd. Avg.	USDA / Egg Market News Report / Weekly	52-week period	52-week period
Chicken with Dumplings	Heavy Type Hens, S.E. Heavy Live Hen Report, At Farm Buyer Loading, Wtd. Avg.	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Chicken Fajita	Breasts, B/S, Georgia FOB Dock, Wtd. Avg. Price	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Chicken with Noodles	Heavy Type Hens, S.E. Heavy Live Hen Report, At Farm Buyer Loading, Wtd. Avg.	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Chicken Pesto and Pasta	Breasts, B/S,Georgia FOB Dock, Wtd. Avg. Price	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Chicken with Tomato/Feta	Breasts, B/S, Georgia FOB Dock, Wtd. Avg. Price	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Buffalo Chicken	Breasts, B/S, Georgia FOB Dock, Wtd. Avg. Price	USDA / Broiler Market New Report (Monday Edition) / Weekly	52-week period	52-week period
Chili with Beans	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Chili and Macaroni	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period

ITEM	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Meatballs/ Marinara	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Penne w/ Vegetable Sausage	Loins, Bone-In, Fresh, 1/4"Trim 13-19#, C4, Wtd. Avg.(BPN U-40)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Pork Sausage w/ Gravy	Loins, Bone-In, Fresh, 1/4"Trim 13-19#, C4, Wtd. Avg.(BPN U-40)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Boneless Pork Rib	Loins, Bone-In, Fresh, 1/4"Trim 13-19#, C4, Wtd.Avg.(BPN U-40)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Pot Roast w/ Vegetables	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Sloppy Joe	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Spaghetti w/ Meat Sauce	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Beef Snacks	IMPS 171B Round, Outside Round, Wtd. Avg.(BPN U-31)	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52-week period
Packaging Materials	Linerboard (42-lb) Unbleached kraft, East, Sh. Ton	Miller Freeman, Inc. / Pulp & Paper Week / Weekly but Prices are Published Monthly	Semi-annual	Semi-annual
Packaging Materials	LDPE Resins, Large Buyer Price Film Liner Grade	Chemical Data / Monthly Petrochemical & Plastic Analysis / Monthly	12 month period	12 month period

In addition to the components shown above, the following are also included:

ITEM	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Adjusting Unit Price" column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the MRE items subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Base Unit Price" column in paragraph (b) immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator for the period specified under the "Adjusting Unit Price" column in paragraph (b) immediately preceding the effective date the option term is exercised, except for linerboard which shall require one additional adjustment six months after each option term is exercised.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis.

(f) EPA allowance factor: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in "Schedule B" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as beef, chicken, and pork are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(g) Performance requirements: The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (meat, potatoes, gravy, etc.) that goes into a MRE, only an overall amount with a protein and carbohydrate requirement. Meeting the protein requirement indicates that the Contractor has put in sufficient (meat) quantities in the MRE to satisfy the requirement. (Different Contractors will put in differing quantities of beef, pork, chicken breast, etc. to meet the protein performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(h) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the Adjusting Unit Price and the Base Unit Price.

(2) (Adjusting Unit Price – Base Unit Price)/Base Unit Price = Market Price Change (+ or -).

(3) Market Price Change X Allowance Factor = Contract Unit Price Adjustment (+ or -) for each item subject to EPA adjustment.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Determine the Contract Price Adjustment by computing the sum total of the price adjustment of all items subject to EPA.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(j) Payments: Payment for items pending adjustment under this clause shall be at the existing unadjusted contract unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The Contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(k) Any pricing actions pursuant to the Changes Clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(l) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(m) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(n) Revision of market price indicator: In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(o) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(p) Authority to add additional items to this clause: Paragraph (b) of this clause identifies 24 unique components contained in the MRE Assembly. These components are selected based on historical data and may not be included in every assembly. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the assembly. The Contracting Officer will show within paragraph (b) the additional components(s).

(q) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(r) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9061 Economic Price Adjustment – Table Spreads.

As prescribed at 16.203-4-90(l)(2) and FAR 16.203-1(a)(1), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) – TABLE SPREADS (SEP 2015)

(a) Warranties: For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of cheese and butter indices for cheese products, and an average of peanut indices for peanut products) for the period specified under the "Base Unit Price" below immediately preceding either the solicitation closing date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held) or the solicitation opening date (if sealed bidding is used).

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Plain Cheese Spread	Cheese & Butter	Cheese Barrels - 40# Blocks & Grade AA Butter	Chicago Mercantile Exchange Cash Trading / USDA Dairy Market News / Weekly	52 week period	52 week period
Jalapeno Cheese Spread	Cheese & Butter	Cheese Barrels - 40# Blocks & Grade AA Butter	Chicago Mercantile Exchange Cash Trading / USDA Dairy Market News / Weekly	52 week period	52 week period
Bacon Cheese Spread	Cheese & Butter	Cheese Barrels - 40# Blocks & Grade AA Butter	Chicago Mercantile Exchange Cash Trading / USDA Dairy Market News / Weekly	52 week period	52 week period
Plain Peanut Butter	Peanut Butter	PPI Table # WPU01830111 For Peanut Butter & Roasted Peanuts	Bureau Of Labor Statistics – Producer Price Index (PPI) / Monthly	12 month period	12 month period
Chocolate Peanut Butter	Peanut Butter	PPI Table # WPU01830111 For Peanut Butter & Roasted Peanuts	Bureau Of Labor Statistics / Producer Price Index (PPI) / Monthly	12 month period	12 month period
Chunky Peanut Butter	Peanut Butter	PPI Table # WPU01830111 For Peanut Butter & Roasted Peanuts	Bureau Of Labor Statistics / Producer Price Index (PPI) / Monthly	12 month period	12 month period

In addition to the components shown above, the following are also included:

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Adjusting Unit Price" column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that

shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Base Unit Price" column in paragraph (b) immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator for the period specified under the "Adjusting Unit Price" column in paragraph (b) immediately preceding the effective date the option term is exercised.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised).

(f) EPA allowance factor: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in "Schedule B" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as cheese, butter, and peanuts, are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(g) Performance requirements: The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (cheese, butter, peanuts, etc.) that goes into a table spread, only an overall amount with a protein and carbohydrate requirement. (Different Contractors will put in differing quantities of cheese, butter, peanuts, etc. to meet the performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(h) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the adjusting unit price and the base unit price.

(2) (Adjusting unit price – base unit price)/base unit price = market price change (+ or -).

(3) Market price Change X Allowance Factor = Contract Unit Price Adjustment (+ or -) for each item subject to EPA adjustment.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (allowance factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the allowance factor by the contract unit price adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Determine the contract price adjustment by computing the sum total of the price adjustments of all items subject to EPA.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(j) Payments: Payment for items pending adjustment under this clause shall be at the existing unadjusted contract unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The Contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(k) Any pricing actions pursuant to the "CHANGES" clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(l) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(m) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(n) Revision of market price indicator: In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(o) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(p) Authority to add additional items to this clause: Paragraph (b) of this clause identifies 6 unique components contained in the ration. These components are selected based on historical data and may not be included in every ration. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the ration. The Contracting Officer will show within paragraph (b) the additional components(s).

(q) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(r) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9062 Economic Price Adjustment - Unitized Group Ration.
As prescribed at 16.203-4-90(l)(3) and FAR 16.203-1(a)(1), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) – UNITIZED GROUP RATION (UGR) (SEP 2015)

(a) Warranties: For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule does not include allowances for any portion of the contingency covered by this clause.

(b) Base unit price: The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of egg indices for egg products, pork belly indices for pork products, and skim milk

and butterfat indices for milk products) only for the period specified under the "BASE Unit Price" column in paragraph (b) immediately preceding (i) the closing date for proposals, (if no discussions are held), (ii) the due date for final proposal revisions, (if discussions are held), or (iii) the opening date, (if sealed bidding is used).

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Boil-In-Bag Dehy Egg Mix	Egg	National Liquid Egg, Whole, Weighted Average	USDA / Egg Market News Report / Weekly	52 week period	52 week period
Bacon, precooked, sliced, cured	Pork Belly	Pork Belly, Seedless, Fresh, Skin on , Trimmed 14-16#, Weighted, U49	USDA / Weekly National Carlot Meat Report / Weekly	52-week period	52 week period
UHT Milk	Skim Milk and Butterfat Fluid Milk products (Class I Milk)	Base Skim Milk Price for Class I time 0.965 plus Advanced Butterfat Pricing Factor times 0.035	USDA / USDA, AMS, Dairy Programs / Announcement of Advanced Prices and Pricing Factors / Monthly	12 month period	12 month period

In addition to the components shown above, the following are also included:

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) Adjusting unit price: The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Adjusting Unit Price" column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised).

(f) EPA allowance factor: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in "Schedule B" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as egg, pork belly, skim milk, and buttermilk, are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative

(G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(g) Performance requirement: The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (egg, pork belly, skim milk, buttermilk etc.) (a unitized group ration item) that goes into a Unitized Group Ration, only an overall amount with a protein and carbohydrate requirement. Meeting the protein and carbohydrate requirement indicates that the Contractor has put in sufficient quantities of required ingredients in the Unitized Group Ration to satisfy the requirement. (Different Contractors will put in differing quantities of egg, pork belly, skim milk, buttermilk etc. to meet the protein and carbohydrate performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(h) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the Adjusting Unit Price and the Base Unit Price.

(2) (Adjusting Unit Price – Base Unit Price)/Base Unit Price = Market Price Change (+ or -).

(3) Market Price Change X Allowance Factor = Contract Unit Price Adjustment (+ or -) for each item subject to EPA adjustment.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Determine the Contract Price Adjustment by computing the sum total of the price Adjustment of all items subject to EPA.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(j) Payments: Payment for items pending adjustment under this clause shall be at the existing unadjusted current unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The Contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(k) Any pricing actions pursuant to the “Changes” clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(l) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(m) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(n) Revision of market price indicator: In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be

modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(o) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(p) Authority to add additional items to this clause: Paragraph (b) of this clause identifies 3 unique components contained in the ration. These components are selected based on historical data and may not be included in every ration. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the ration. The Contracting Officer will show within paragraph (b) the additional components(s).

(q) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(r) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9063 Economic Price Adjustment (EPA) Tailored Operational Training Meal (TOTM).
As prescribed at 16.203-4-90(l)(5) and FAR 16.203-1(a)(1), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) – TAILORED OPERATIONAL TRAINING MEAL (TOTM) (SEP 2015)

(a) Warranties: For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only (e.g. an average of beef indices for beef products, an average of poultry indices for poultry products, etc.) for the period specified under the "Base Unit Price" below immediately preceding either the solicitation closing date for proposals (if no discussions are held), the due date for final proposal revisions (if discussions are held) or the solicitation opening date (if sealed bidding is used).

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Beef Enchiladas	Beef	IMPS 167A Round Knuckle, Trimmed, Wtd. Avg. (BPN U-12)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Beef Ravioli	Beef	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Beef Stew	Beef	IMPS 167A Round Knuckle, Trimmed, Wtd. Avg. (BPN U-12)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE
Boneless Pork Rib	Pork	Loins, Bone-In, Fresh, ¼" Trim 13-19#, C4, Wtd. Avg. (BPN U-40)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Chicken Fajita	Chicken	Breasts, B/S, Georgia F.O.B. Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / Weekly	52 week period	52 week period
Chicken /Dumpling	Chicken	Breasts, B/S, Georgia F.O.B. Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / Weekly	52 week period	52 week period
Chicken w/Noodles	Chicken	Heavy Type Hens, S.E. Heavy Live Hen Report, At Farm Buyer Loading, Wtd. Avg.	USDA / USDA Broiler Market News Report / Weekly	52 week period	52 week period
Chicken w/Salsa	Chicken	Breasts, B/S, Georgia F.O.B. Dock, Wtd. Avg. Price	USDA / USDA Broiler Market News Report / Weekly	52 week period	52 week period
Chili & Macaroni	Beef	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Chili w/Beans	Beef	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Sloppy Joe Filling	Beef	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Spaghetti w/Meat Sauce	Beef	Boneless Processing Beef/Beef Trimmings, FOB National, Wtd. Avg. 85% fr (BPN U-24)	USDA / Weekly National Carlot Meat Report / Weekly	52 week period	52 week period
Packaging Materials	Linerboard	Linerboard (42-lb) Unbleached Kraft, East, Sh. Ton, Semi-Annual	Miller Freeman, Inc. / Pulp & Paper Week / Weekly/Prices are Published Monthly	Semi-annual	Semi-annual
Packaging Materials	Resins	LDPE Resins, Large Buyer Price Film Liner Grade	Chemical Data / Monthly Petrochemical & Plastic Analysis / Monthly	12 month period	12 month period

In addition to the components shown above, the following are also included:

ITEM	EPA FACTOR/ COMPONENT	ECONOMIC INDICATOR	PUBLISHER / PUBLICATION / FREQUENCY PUBLISHED	BASE UNIT PRICE	ADJ. UNIT PRICE

(To be completed as required)

(c) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Adjusting Unit Price" column shown in paragraph (b) immediately preceding the effective date the option term is exercised.

(d) An established market price is a price that is established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed in paragraph (b) of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator only for the period specified under the "Base Unit Price" column in paragraph (b) immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices of each applicable economic indicator for the period specified under the Adjusting Unit Price column in paragraph (b) immediately preceding the effective date the option term is exercised, except for linerboard which shall require one additional adjustment six months after each option term is exercised.

(e) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis.

(f) EPA allowance factor: For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. The portion subject to EPA refers to the element of cost for each item that is outside the control of the vendor and in "Schedule B" the offerors will be required to fill in this amount. This is the only portion of the cost that will be subject to the EPA provision. The EPA provisions based on changes in market prices for product material costs such as beef, pork, chicken, and linerboard are subject to the EPA, because there is serious doubt concerning the stability of market conditions. The balance of product costs for items such as labor, overhead, General and Administrative (G&A), transportation, and profit are those contingencies that can be included in the contract price and can be identified and covered separately through firm fixed prices. The EPA allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(g) Performance requirements: The United States Army Research, Development and Engineering Command (RDECOM) Natick Soldier Center (NSC) who prepares the specifications has moved from Military Specifications to Performance Requirements. The Government no longer states the specific amount of product (meat, potatoes, gravy, etc.) that goes into a Tailored Operational Training Meal (TOTM), only an overall amount with a protein and carbohydrate requirement. Meeting the protein requirement indicates that the Contractor has put in sufficient (meat) quantities in the TOTM to satisfy the requirement. (Different Contractors will put in differing quantities of beef, pork, chicken breast, etc. to meet the protein performance requirements). This is why specific weights or quantities cannot be specified in advance in this EPA as would be used in a Military Specification and the cost for the items

subject to adjustment will be entered by the Contractor in Section B. The Government performs oversight to ensure that the performance requirements are met or exceeded.

(h) Adjustments shall be calculated as follows: (Round to four decimal places)

(1) Compute the adjusting unit price and the base unit price.

(2) (Adjusting unit price – base unit price)/base unit price = market price change (+ or -).

(3) Market price change x allowance factor = contract unit price adjustment (+ or -) for each item subject to EPA adjustment.

(4) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (allowance factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

(5) Determine the contract price adjustment by computing the sum total of the price adjustment of all items subject to EPA.

(i) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.

(j) Payments: Payment for items pending adjustment under this clause shall be at the existing unadjusted contract unit price until an adjustment modification has been issued. Following issuance of an adjusting contract modification, the Government shall pay the Contractor, upon submission of proper invoices or vouchers, the adjusted price stated in the contract modification for the applicable option period. The Contractor represents by submitting its final invoice that the total amount billed under this contract reflects all increases or decreases required or authorized by this clause.

(k) Any pricing actions pursuant to the “CHANGES” clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(l) No adjustment will be made under this clause unless the total change in the contract amount is $500.00 or more.

(m) Upward ceiling on economic price adjustment: The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(n) Revision of market price indicator: In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(o) Disputes: If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause then the matter shall be resolved in accordance with the Disputes clause of the contract.

(p) Authority to add additional items to this clause: Paragraph (b) of this clause identifies 14 unique components contained in the ration. These components are selected based on historical data and may not be included in every ration. Refer elsewhere in the solicitation/contract for listing of the exact component makeup. Due to customer requirements, the Contracting Officer may add additional components to the ration. The Contracting Officer will show within paragraph (b) the additional components(s).

(q) Examination of records: The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor’s books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(r) In the event any applicable market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance, if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of Clause)

52.216-9064 Economic Price Adjustment (EPA) – Actual Material Costs for Subsistence Delivered Price Business Model Economic Price Adjustment (EPA) - DLA Troop Support Subsistence Prime Vendor (SPV) Contiguous United States (CONUS), Alaska, and Hawaii.
As prescribed in 16.203-4(d)(2)(S-95), insert the following clause:

ECONOMIC PRICE ADJUSTMENT (EPA) – ACTUAL MATERIAL COSTS FOR SUBSISTENCE DELIVERED PRICE BUSINESS MODEL – DLA TROOP SUPPORT SUBSISTENCE PRIME VENDOR (SPV) CONTIGUOUS UNITED STATES (CONUS), ALASKA, AND HAWAII
(APR 2014)

(a) Warranties. For the portion of the schedule that is covered by this EPA clause, the Contractor warrants that—

(1) Contract unit prices covered by this contract do not include allowances for any portion of the contingency covered by this clause; and

(2) Price adjustments invoiced under this contract shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term:

(1) “Private label holder” means:

(i) A manufacturer or grower with whom the contractor holds an ownership and/or financial interest, or ownership and/or financial interest in a specific item(s) produced by a manufacturer or grower; or

(ii) An entity holding an intellectual property interest, whether by ownership or license, in the label under which product is being sold in the commercial marketplace; or

(iii) An entity holding exclusive marketing and/or sales authority of a product, or one holding property rights in a proprietary product formula.

(2) “Redistributor” means an entity independent of the contractor from which the contractor purchases product for purposes of consolidating quantities and/or obtaining a competitive delivered price.

(3) “Standard Freight” means the published list price or prevailing market rate for transportation of subsistence and food service operating supplies, i.e. the transportation charge for delivery from the manufacturer/grower/private label holder or redistributor to the SPV Contractor. This may include inter-division transfers between the SPV Contractor’s warehouses provided the delivered price (inclusive of standard freight) of a product at a given time is identical to the delivered price of the same product at the same time to other commercial customers in the SPV Contractor’s electronic purchasing system.

(i) In the event the SPV Contractor picks up product free on board (f.o.b.) origin from a manufacturer/grower/ private label holder, or arranges for delivery transportation from a third party source other than the manufacturer/grower/private label holder, the standard freight charge shall be based on market tariffs/conditions and shall not exceed the lesser of:

(A) The manufacturer/grower/private label holder’s or manufacturer/grower/private label holder’s carrier’s freight price normally payable by the SPV Contractor for inbound shipments of such products and quantities to the Contractor’s distribution point; or

(B) An average price based on market conditions for freight in the same market for the same type of freight service for like products, shipping methods and quantities.

(ii) In rare circumstances, and only with the Contracting Officer's written approval, the SPV Contractor may use drop shipments, i.e. the product is shipped directly from the manufacturer/grower / private label holder to the customer without the SPV Contractor taking possession. This may involve transportation charges using non-standard freight such as FedEx, United Parcel Service (UPS), or the United States (U.S.) Postal Service. In such instances the Contracting Officer will determine price reasonableness on the unit price inclusive of freight.

(4) "Contract unit price" means the total price per unit charged to DLA Troop Support for a product delivered to DLA Troop Support's customers. The Contract unit price consists of three components: delivered price plus distribution price less Government rebates and discounts. The unit price sum of the three component prices shall be rounded up or down as applicable, to the nearest cent to determine the final Contract unit price.

(5) Delivered price.

(i) Delivered price" means the most recent manufacturer, grower, or private label holder commercial price per unit to the Contractor, inclusive of all standard freight, that is input in the contractor's purchasing system as the starting basis for its pricing to customers prior to the application of any specific distribution fees, rebates, discounts, limited discounts, or other financial agreements with the Contractor's customers. The delivered price shall be based on f.o.b. destination delivered using standard freight. The delivered price shall exclude all costs that are to be covered in the distribution price. The SPV Contractor warrants that the delivered price to its delivering warehouse of a product sold at any given time by the SPV Contractor to DLA Troop Support customers is identical to the delivered price of such product sold at the same time to its other customers.

(A) Exception: For mandatory source items, the delivered price shall be limited to the nonprofit agency's price for product as set in accordance with applicable law, plus standard freight.

(B) Exception: A redistributor's price for a specific manufacturer/grower/private label holder's product (or stock keeping unit (SKU)) may be used as long as the redistributor's price for the quantity ordered is equal to or lower than the manufacturer's/ grower's/ private label holder's current price inclusive of Government rebates and discounts (as defined below). Supporting documentation (published price list, manufacturer letter/email, or similar proof of price comparison) may be required. The determination that the supporting documentation is sufficient to establish the manufacturer's/ grower's/ private label holder's current price rests solely with the Contracting Officer.

(C) Exception: Standard freight may not apply to drop shipments and f.o.b. origin pickups.

(ii) The Contractor shall utilize best commercial practices in purchasing its food items under this contract, to include seeking and using competition to the maximum extent practicable for all purchases and purchasing in the most economical order quantities and terms and conditions.

(6) "Distribution Price(s)" means the firm fixed price portion of the Contract Unit price, offered as a dollar amount per unit of issue, rounded up or down to the nearest cent. The distribution price is the only method for the Contractor to bill the Government for all aspects of contract performance other than delivered price; including but not limited to, the performance requirements of the statement of work (SOW) for the applicable SPV solicitation and resulting contract. As detailed above in paragraph (5), delivered price is distinct from and not to be included in the distribution price. For both drop shipments and Government pick-ups, the Contracting Officer may negotiate a reduced distribution price with the Contractor since the Contractor is not handling the product.

(7) "Government rebates and discounts" means all rebates, discounts, and limited discounts designated for the Government, including National Allowance Pricing Agreements (NAPA) discounts, food show discounts, early payment discounts (other than qualifying early payment discounts as defined in the Rebates, Discounts and Price Related Provisions section of the solicitation), and any other rebates, discounts, or similar arrangements designated by the manufacturer/grower/ private label holder or

redistributor to be passed to the Government or passed to all customers without specific designation. In accordance with other provisions of the contract (and subject to any applicable exceptions in those provisions), all Government rebates and discounts shall be passed to the Government via a reduced catalog price (i.e. "off invoice"). Any Government rebates and discounts that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check payable to the U.S. Treasury, with an attached itemized listing of all customer purchases by line item to include contract number, call number, purchase order number and contract line item number (CLIN).

(8) "Ordering catalog" means the electronic listing of items and their corresponding Contract unit prices available for ordering under this contract.

(9) "Ordering Week" means from Sunday at 12:01 AM through the following Saturday until midnight (Eastern Time ET, standard or daylight as applicable).

(c) Price adjustments.

(1) General.

(i) All Contract unit prices shall be fixed and remain unchanged until changed pursuant to this clause or other applicable provision of the contract. Only the delivered price component of the Contract unit price is subject to adjustment under this clause. After the first ordering week, if the Contractor's delivered price changes for any or all Contract unit prices, the Contract unit price shall be changed in the next week's ordering catalog upon the Contractor's request, submitted in accordance with paragraph (iii) below, by the same dollar amount of the change in the delivered price, subject to the limitations in paragraph (d). The price change shall be effective at the beginning of the next ordering week. All ordering catalog unit prices computed in accordance with this clause and in effect when an order is placed shall remain in effect for that order through delivery. DLA Troop Support will be charged the Contract unit price in effect at the time of each order regardless of any changes in the unit price occurring in any subsequent ordering week.

(ii) Catalog delivered prices must be reflective of the prime vendor's last receipt price (the price of the stock most recently received into SPV contractor's inventory).

(iii) Updates to the delivered price: All notices and requests for new item delivered prices and price changes shall be submitted weekly, no later than [contracting officer fill in time] Eastern Time on [contracting officer fill in day], to be effective in the following ordering week's ordering catalog prices. The delivered price shall have any and all Government rebates and discounts subtractions made prior to presenting the delivered price to DLA Troop Support. The Contractor shall notify the Contracting Officer of its notice/request in the form of an electronic data interchange (EDI) 832 transaction set. The change notice shall include the Contractor's adjustment in the delivered price component of the applicable Contract unit price. Upon the Contracting Officer's acceptance of such EDI 832 price changes in accordance with paragraph (v) below, the price change transaction sets will post in the next week's ordering catalog and each Contract unit price shall be changed by the same dollar amount of the change in the delivered price in the next week's ordering catalog.

(iv) All price changes, and catalog contract prices, are subject to review by the Government. The Contracting Officer may at any time require the submission of supporting data to substantiate any requested price change or the requested continuation of the pre-existing price for any item, including prices applicable to prior ordering weeks. Upon notice from the Contracting Officer that supporting data is required, the Contractor shall promptly furnish to the Government all supporting data, including but not limited to, invoices, quotes, price lists, manufacturer/grower/private label holder documentation regarding Government rebates and discounts, and any other substantiating information requested by the Contracting Officer.

(v) Price change requests that the Contracting Officer questions or finds to be inconsistent with the requirements of this clause shall not be posted until the Contracting Officer specifically authorizes the posting. If the Contracting Officer does not notify the Contractor by close of business Eastern Time each

[contracting officer fill in day] that a price or a price change request is being questioned or has been found to be erroneous, the price change(s) will post to the ordering catalog effective the beginning of the following ordering week. The posting of updated prices in the ordering catalog, calculated in accordance with this clause, constitutes a modification to this contract. No further contract modification is required to effect this change. Any changes that post to the ordering catalog do not constitute a waiver of any of the rights delineated elsewhere in the contract.

(vi) Should the Contracting Officer determine that, or question whether a price change request contained an erroneous unit price or price change, or cannot otherwise determine the changed price(s) to be fair and reasonable, such as when the changed price(s) is(are) higher than lower delivered prices for items of comparable quality which are reasonably available to the Government or Contractor from other sources, the Contracting Officer will so advise the Contractor, prior to close of business Eastern Time on [contracting officer fill in day]. If the Contracting Officer cannot determine a price fair and reasonable, and the Contracting Officer and the Contractor cannot negotiate a fair and reasonable price, the Contracting Officer may reject any price change and direct in writing that the item in question be removed from the Contractor's ordering catalog, without Government liability. The Contracting Officer may subsequently remove any such item from the ordering catalog if the Contractor fails to remove it. The Government has the right to procure such removed items from any alternate source of supply, and the failure of the Contractor to supply such item may be considered negatively in any evaluation of performance.

(vii) In the event of a price change not posting or an ordering catalog contract unit price not computed in accordance with this clause, resulting in an incorrectly increased or decreased Contract unit price, upon discovery of such event the Contractor shall promptly notify the Contracting Officer in writing and promptly thereafter correct its ordering catalog and submit a refund including interest for any amounts paid to the Contractor resulting from the erroneous price. In the event of an erroneous price decrease in the ordering catalog, if the contractor can demonstrate to the satisfaction of the Contracting Officer that the error did not result from the fault or negligence of the Contractor, the Contractor may submit a request for equitable adjustment for consideration by the Contracting Officer.

(2) Limitations. All adjustments under this clause shall be limited to the effect on contract unit prices of actual increases or decreases in the delivered prices for material. There shall be no upward adjustment for—

(i) Supplies for which the delivered price is not affected by such changes;

(ii) Changes in the quantities of materials; and

(iii) Increases in unit prices that the Contracting Officer determines are computed incorrectly (i.e. not adhering to the Contract unit price definition in this clause) and/or increases in unit prices that the Contracting Officer determines are not fair and reasonable.

(3) If the Contracting Officer rejects a proposed adjustment for an item because the adjusted unit price cannot be determined fair and reasonable, the Contractor shall have no obligation to fill future orders for such item as of the effective date of the proposed adjustment unless such item is subsequently added to the contract at a Unit Price that is determined fair and reasonable. Alternately, the item may be retained on the catalog at the prior (unadjusted) price for as long as both parties agree to do so.

(d) Upward ceiling on economic price adjustment. The aggregate of contract delivered price increases for each item under this clause during the contract period inclusive of any option period(s) shall not exceed [contracting officer fill in percentage] percent (%) for all items except fresh fruits and vegetables (FF&V) and [contracting officer fill in percentage] percent (%) for fresh fruits and vegetables (FF&V) of the initial contract delivered price, except as provided below:

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. In the event the latest actual market price for an item would result in a contract unit price that will exceed the allowable ceiling price under the contract, then the Contractor shall immediately notify the Contracting Officer in writing or via its EDI 832 price change request and separate email no later than the time specified in paragraph (c)(1)(iii) above. With either such notification the Contractor shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the delivered price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill future orders for such items, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing. After evaluation of a requested actual price increase, if the Contracting Officer authorizes the change in the Contract unit price, the Contractor shall submit an EDI 832 price change. The price change shall be posted for the following week's ordering catalog.

(e) Downward limitation on economic price adjustments. There is no downward limitation on the aggregated percentage of decreases that may be made under this clause.

(f) Examination of records. The Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents and other data, to include commercial sales data, that the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause. Such examination may occur up to twice a year (except as provided for below) until the end of 3 years after the date of final payment under this contract or the time periods specified in Subpart 4.7 of the Federal Acquisition Regulation (FAR), whichever is earlier. These will normally involve Government selection of a statistically significant sample size of invoices/records to examine based on the number of line items on the specific contract catalog. If an examination of records reveals irregularities, further examinations and/or a larger sample size may be required. In addition to normal examination, the Government may conduct additional examinations at the Contracting Officer's discretion.

(g) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required or authorized by this clause.

(h) Disputes. Any dispute arising under this clause shall be determined in accordance with the "Disputes" clause of the contract.

(End of Clause)

52.216-9065 Economic Price Adjustment – Actual Material Costs For Subsistence Product Price Business Model.

As prescribed at 16.203-4(d)(2)(S-96), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – ACTUAL MATERIAL COSTS FOR DLA TROOP SUPPORT - SUBSISTENCE PRODUCT PRICE BUSINESS MODEL (OCT 2015)

(a) Warranties: For the portion of the schedule that is covered by this economic price adjustment (EPA) clause, the Contractor warrants that --

(1) Contract unit prices covered by this contract do not include allowances for any portion of the contingency covered by this clause; and

(2) All price adjustments invoiced under this contract shall be computed in accordance with the provisions of this clause.

(b) Definitions: As used throughout this clause, the term

(1) "Contract unit price" means the total price per unit charged to DLA Troop Support for a product delivered to DLA Troop Support's customers. The Contract unit price consists of two components: Product price and distribution price as identified in the schedule of items. The sum of the two component prices shall be rounded to the nearest cent to determine the final Contract unit price.

(2) DLA Troop Support "Manufacturer's Price Agreement" (MPA) means an agreement between DLA Troop Support and manufacturers which identifies a fixed product price for specific items that will be cataloged by the prime vendor.

(3) "Product price" is the most recent DLA Troop Support MP~~)~~ price or the most recent manufacturer, grower or private label holder commercial price per unit to the Contractor, exclusive of standard freight.

(i) Exceptions:

(A) Fresh fruits and vegetables (FF&V):

(1) The product is listed in the distribution category for prime vendor fresh fruits and vegetables (FF&V))[contracting officer fill in]; and

(2) It is necessary for the product to be transported into the local market of the importer, as otherwise approved under the contract, from a foreign country because local supply does not exist or it is insufficient to meet demand requirements; and

(3) The importer that establishes the product price is the firm that actually performs the FF&V import service, including, but not limited to: procurement, storage, consolidation, pallets, and palletizing as it applies to the importer's normal commercial sales, and the importer has comparable commercial sales in the market that is the point of import.

(B) A contiguous United States (CONUS) based manufacturer, grower or private label holder's product pricing which is a national price inclusive of transportation costs to a Distribution Point shall be supported by documentation and may be considered by the Government on a case by case basis, upon concurrence of the Contracting Officer.

(C) Mandatory source items: The product price shall be limited to the nonprofit agency's price for product as set in accordance with applicable law. The product price shall be based on f.o.b. origin/nonprofit agency. (Prices set in accordance with applicable law (f.o.b. origin/nonprofit agency.)

(D) Prime vendor table displays/decorations only: For products listed in category [*contracting officer fill-in category number*] prime vendor table displays/decorations only, the product price shall be based on f.o.b. origin/point of the manufacturer's distributor because the manufacturer will not sell directly to the prime vendor. This exception must be approved by the Contracting Officer on a case by case basis. Support documentation is required.

(E) A CONUS-based redistributor's price for a specific manufacturer's product (also known as a stock keeping unit (SKU)) may be considered by the Government as long as the redistributor's price for the quantity ordered is equal to or lower than the manufacturer's published price inclusive of discounts/allowances. This exception must be approved by the Contracting officer on a case by case basis. Support documentation may be required.

(4) "Product allowance" is discounts, rebates, and allowances to be passed on to the Government. In accordance with other provisions of the contract, all discounts, rebates, or allowances on particular items which are reflected in the amounts shown on the face of the manufacture's, grower's or private label holder's invoice (referred to as "off-invoice allowances") or otherwise given to the Contractor by the manufacturer, grower or private label holder, shall be passed by the Contractor to the Government, in the form of an up-front price reduction. The total of these discounts, rebates, and allowances (or product allowance), shall be reflected via a reduced subsistence total order and receipt electronic system (STORES) price, resulting in a lower invoice price to the customer. Any rebates that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check made to the United States (U.S.) Treasury, attached with itemized listing of all customer purchases by line

item to include contract number, call number, purchase order number and contract line-item number (CLIN).

(5) "Distribution price(s)" means the firm fixed price portion of the Contract unit price, offered as a dollar amount per unit of measure, rounded up or down to the nearest cent. The distribution price is the only method for the Contractor to bill the Government for all aspects of contract performance other than product price, including but not limited to, the performance requirements of this Statement of Work (SOW). Product price is distinct from and not to be included in the distribution price. The distribution price may be further segregated into pricing segments covering discrete, solicitation-specific performance requirements.

(6) "Ordering catalog" means the electronic listing of items and their corresponding contract unit prices available for ordering under this contract.

(7) "Ordering month" means from Sunday 12:01 AM of the first full week in a calendar month through the last Saturday 11:59 PM that precedes the Sunday of the first full week in the next calendar month (eastern time (ET), standard or daylight as applicable).

(8) "United States Defense Transportation System (DTS) Ocean Shipping Costs:" DTS ocean transportation costs (for shipping the product from the Prime Vendor's CONUS facility(s) to the prime vendor's OCONUS facility(s), aka "point to point" delivery via DTS), shall be excluded from the distribution price. The Defense Transportation System is responsible for point-to-point delivery.

(c) Price adjustments:

(1) General:

(i) All contract unit prices shall be fixed and remain unchanged until changed pursuant to this clause or other applicable provision of the contract. Only the product price component of the Contract unit price is subject to adjustment under this clause. After the first ordering month, if the Contractor's product price changes for any or all contract unit prices, the Contract unit price shall be changed in the next month's ordering catalog upon the Contractor's request, submitted in accordance with paragraph iii below, by the same dollar amount of the change in the Product price, subject to the limitations in paragraph (d). The price change shall be effective at the beginning of the next ordering month. All ordering catalog unit prices computed in accordance with this clause and in effect when an order is placed shall remain in effect for that order through delivery. DLA Troop Support will be charged the Contract unit price in effect at the time of each order regardless of any changes in the unit price occurring in any subsequent ordering month.

(ii) Catalog product prices must be reflective of the prime vendor's last receipt price (the price of the stock most recently received into the OCONUS inventory). For all distribution categories, when multiple sources are being utilized and more than one manufacturer's product is receipted prior to a catalog update, the Contractor shall establish the product price based on the mix of invoices received after the previous changes period. The product price would be derived as follows:

Supplier A – {contracting officer fill-in percentage and price}
Supplier B – {contracting officer fill-in percentage and price}
Supplier C – {contracting officer fill-in percentage and price}
Product price = {contracting officer fill-in dollar amount}

(iii) Updates to the product price: All notices and requests for new item product prices and price changes shall be submitted monthly, no later than {contracting officer fill-in time} local Philadelphia, Pennsylvania, United States (U.S.) time one week prior to the first day of the next ordering month, to be effective in the next ordering month's catalog prices. The product price shall have any and all product allowance subtractions made prior to presenting the product price to DLA Troop Support. The Contractor shall notify the Contracting Officer of its notice/request in the form of an electronic data interchange (EDI) 832 transaction set. The change notice shall include the Contractor's adjustment in the product price component of the applicable Contract unit price. Upon the Contracting Officer's acceptance of such

electronic data interchange (EDI) 832 price changes in accordance with (v) below, the price change transaction sets will post in the next month's ordering catalog and each Contract unit price shall be changed by the same dollar amount of the change in the product price in the next month's ordering catalog.

(iv) All price changes, and catalog contract prices, are subject to review by the Government. The Contracting Officer may at any time require the submission of supporting data to substantiate any requested price change or the requested continuation of the pre-existing price for any item, including prices applicable to prior ordering months. Upon notice from the Contracting Officer that supporting data is required, the Contractor shall promptly furnish to the Government all supporting data, including but not limited to, invoices, quotes, price lists, supplier documentation regarding rebates/allowances, and any other substantiating information requested by the Contracting Officer.

(v) Price change requests that the Contracting Officer questions or finds to be inconsistent with the requirements of this clause shall not be posted until the Contracting Officer specifically authorizes the posting. If the Contracting Officer does not notify the Contractor by close of business local Philadelphia, Pennsylvania, U.S. time on the{contracting officer fill-in day} day immediately following the{ contracting officer fill-in day} that a price or a price change request is being questioned or has been found to be erroneous, the price change(s) will post to the ordering catalog effective the beginning of the following ordering month. The posting of updated prices in the ordering catalog, calculated in accordance with this clause, constitutes a modification to this contract. No further contract modification is required to effect this change.

(vi) Should the Contracting Officer determine that, or question whether, a price change request contained an erroneous unit price or price change, or cannot otherwise determine the changed price(s) to be fair and reasonable, such as when the changed price(s) is (are) higher than lower product prices for items of comparable quality which are reasonably available to the Government or Contractor from other sources, the Contracting Officer will so advise the Contractor, prior to close of business local Philadelphia, Pennsylvania, U.S. time on the {contracting officer fill-in day} immediately following the{contracting officer fill-in day}. If the Contracting Officer cannot determine a price fair and reasonable, and the Contracting Officer and the Contractor cannot negotiate a fair and reasonable price, the Contracting Officer may reject any price change and direct in writing that the item in question be removed from the Contractor's ordering catalog, without Government liability. The Contracting Officer may subsequently remove any such item from the ordering catalog if the Contractor fails to remove it. The Government has the right to procure such removed items from any alternate source of supply, and the failure of the Contractor to supply such item will be considered a negative instance of performance.

(vii) In the event of a price change not posting or an ordering catalog contract unit price not computed in accordance with this clause, resulting in an incorrectly increased or decreased Contract unit price, the prime vendor shall immediately notify the Contracting Officer in writing and promptly thereafter correct its ordering catalog and submit a refund for any amounts paid to the Contractor resulting from the erroneous price. In the event of an erroneous price decrease in the ordering catalog, if the Contractor can demonstrate to the satisfaction of the Contracting Officer that the error did not result from the fault or negligence of the Contractor, the Contractor may submit a request for equitable adjustment for consideration by the Contracting Officer.

(2) Limitations: All adjustments under this clause shall be limited to the effect on contract unit prices of actual increases or decreases in the product prices for material. There shall be no upward adjustment for --

(i) Supplies for which the product price is not affected by such changes;

(ii) Changes in the quantities of material; and

(iii) Increases in unit prices that the Contracting Officer determines are computed incorrectly (i.e. not adhering to the Contract unit price definition in this clause) and/or increases in unit prices that the Contracting Officer determines are not fair and reasonable.

(d) Upward ceiling on economic price adjustment: The aggregate of contract product price increases for each item under this clause during the contract period inclusive of any option period(s) or tiered pricing period(s) shall not exceed {contracting officer fill-in percentage} (%) {contracting officer fill-in percentage} (%) for fresh fruits and vegetables (FF&V)) of the initial Contract product price, except as provided below:

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. In the event the latest actual market price for an item would result in a Contract unit price that will exceed the allowable ceiling price under the contract, then the Contractor shall immediately notify the Contracting Officer in writing or via its EDI price change request and separate email no later than the time specified in paragraph (c)(1)(iii) above. With either such notification the Contractor shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill future orders for such items, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing. After evaluation of a requested actual price increase, if the Contracting Officer authorizes the change in the Contract unit price, the Contractor shall submit the EDI 832 price change. The price change shall be posted for the following month's ordering catalog.

(e) Downward limitation on economic price adjustments: There is no downward limitation on the aggregated percentage of decreases that may be made under this clause.

(f) Examination of record: The Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents and other data, to include commercial sales data, the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause. Such examination may occur during all reasonable times until the end of 3 years after the date of final payment under this contract or the time periods specified in Subpart 4.7 of the Federal Acquisition Regulation (FAR), whichever is earlier.

(g) Final invoice: The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required or authorized by this clause.

(h) Disputes: Any dispute arising under this clause shall be determined in accordance with the "Disputes" clause of the contract.

(End of Clause)

52.216-9066 Economic Price Adjustment – Market Prices – DLA Distribution.

When used: This clause may be included in solicitations and resulting contracts for fiberboard boxes, liners and/or other items identified therein, when: (1) unpredictable increases or decreases in the cost of the items are expected; (2) the changes can be tracked by published market prices to be used for price adjustment purposes; (3) the Contracting Officer considers the use of this clause appropriate; and (4) the requirements of 16.203-2, -3, and -4 are met. This clause is approved for use by DLA Distribution only. See 16.203-4-90(l).

Notes:

1. Paragraphs (b)(1): The Contracting Officer shall insert identification of where the market prices can be found, e.g.: "the "Price Watch: Paperboard/Packaging" table contained in the PPI Pulp & Paper Week Price Watch (an RISI Inc. publication of Pulp & Paper Market News for North America)."
2. Paragraph (b)(1): Contracting Officer shall insert identification of the market price(s) to be used, e.g. :
Linerboard (42-pound (lb.)) Unbleached kraft, East (list $### - $###)
Linerboard (42-lb) Unbleached kraft, West (list $### - $###)
Corrugating medium Semichemical, East (list $### - $###)
Corrugating medium Semichemical, West (list $### - $###)"
(Note: The Contracting Officer shall modify subparagraphs (b)(1)(i), (b)(1)(ii), (b)(4) and (b)(4)(i) if separate regional prices are not applicable.
3. Paragraph (d)(1): Contracting Officer shall fill-in the overall percentage, or the percentage of each contract item price, that is deemed to represent the ordered price of the item(s) as applicable, e.g., "70" percent.
4. Paragraph (d)(4): Contracting Officer shall fill-in the percentage of the increase/decrease threshold for triggering a price increase or decrease band, e.g., "4" percent.
5. Paragraph (e)(1): The Contracting Officer shall fill-in the aggregate annual percentage limitation. This percentage is subject to 10% per annum aggregate limit, unless a higher limit is approved by the Chief of the Contracting Office or designee (see 16.203-3(94)). Such rationale and approval for any ceiling over the 10% per annum limit must be documented in the contract file**.**

ECONOMIC PRICE ADJUSTMENT – MARKET PRICES – DLA DISTRIBUTION (NOV 2011)

(a) Warranties. The Contractor warrants that:

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingencies covered by this clause.

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) Definitions. The terms used in this clause are defined below.

(1) The "market prices" specified hereunder are, as a satisfactory measure of price changes in the marketplace, used for price adjustments under this clause. The prices appear in
_____(Note 1)_____
_____(Note 2)_____

(i) The above applicable "East" market prices shall be used to adjust prices under this clause for items delivered to Defense Distribution Center Anniston, Alabama; Defense Distribution Depot Europe; Defense Distribution Center Susquehanna, Pennsylvania; Defense Distribution Center Norfolk, Virginia; Defense Distribution Center New Cumberland, Pennsylvania; and any other required delivery points east of the Mississippi River.

(ii) The above applicable 'West" market prices shall be used to adjust prices under this clause for items delivered to Defense Distribution Center Hill, Utah, Defense Distribution Center San Joaquin, California; Defense Distribution Center Pearl Harbor, Hawaii; Defense Distribution Center Red River, Texarkana, Texas; and any other required delivery points west of the Mississippi River.

(2) Base market price – The average of the minimum and maximum list prices in United States (U.S.) dollar prices published the week of the contract effective date. If the contract effective date falls in a week when the prices are not published, then the average of the applicable minimum and maximum prices from the preceding week of publication shall be used.

(3) Adjusting market price – The average of the list price ranges specified above for the week in which the unit price(s) are being adjusted. Note: The adjusting market price becomes the base market price for the subsequent adjustment period, if any.

(4) Contract unit price – The contract unit price(s) to be invoiced for product(s) delivered to East and West locations is the sum of the "ordered price" and the "distribution price":

(i) Ordered Price – The Contractor's purchase cost for materials delivered to East or West locations. No amount shall be included in the ordered price(s) for any other element of cost or for profit. The ordered price component is subject to increases or decreases in accordance with this clause.

(ii) Distribution Price – The price that represents all the elements of the contract unit price other than the "ordered price". The distribution price typically consists of the Contractor's projected labor, general and administrative overhead, packaging costs, transportation costs from the prime vendor's distribution point to destination, any other projected expenses or overhead associated with prime vendor function, and profit. Profit includes all profit relevant to both the materials costs and distribution costs. The distribution price reflects the difference between the ordered price and the contract unit price.

(5) Base Price – The unit price(s) offered for the item(s) included in the contract award schedule.

(6) Contract Price – means:

(i) The base year total prices and all option year prices shown on the contract schedule page(s) at time of award, or:

(ii) The base year total prices and all option year prices adjusted pursuant to this clause. (Note: price adjustments made to each ordered price component will be applied concurrently to any remaining option year prices.)

(7) Contract effective date – Means the effective date of award of the contract resulting from this solicitation.

(8) Option Year – A one (1) calendar year period consisting of twelve (12) calendar months. The first contract calendar year (base year) shall commence on the contract effective date and shall end 365 days (366 days for a leap year) thereafter. Each succeeding contract calendar year shall commence on the day immediately following the last day of the preceding contract calendar year.

(c) Price Change Notification. Within five calendar days following publication of a market price sufficient to require a price change under this clause, the Contractor shall notify the Contracting Officer in writing of the change and market price upon which the current contract price is based and attach a copy of the market price publication containing such price change.

(d) Limitations. All price adjustments are subject to the limitations set forth in this clause including:

(1) Price adjustments shall be applied only to the ordered price component, which is deemed to represent (Note 3) percent of the contract unit price for each item.

(2) Contract prices shall be adjusted by the same percentage that the Adjusting market price bears to the Base market price.

(3) When any unit price adjustments under this clause coincide with the exercise of an option period, such adjustments will be authorized separately from the exercise of the option.

(4) Price adjustments under this clause will be made only if the change to the price of a contract item would increase or decrease by (Note 4) percent or more of the current price of a contract line item.

(5) Increased contract unit prices shall not apply to quantities scheduled for delivery prior to the effective date of the increased unit price. The effective date of the increased unit price is the effective date on the contract modification (Standard Form (SF) 30, block 3).

All price adjustments shall be calculated as shown in the following example:

	Unit Prices	Baseline Ordered Price (Compute using % of Unit Price from (d)(1) above)	Baseline Distribution Price	Baseline Market Price	Current Market Price	% Change Between Baseline And Current Market Price	$ Increase / Decrease To Ordered Price	Adjusted Ordered Price	Adjusted Unit Price

Sample Increase	$5.90 =	$4.13	$1.77	140.2	151.7	(+) 8.2%	(+) $0.34	$4.47	$6.24
Sample Decrease	$5.90 =	$4.13	$1.77	140.2	124.6	(-) 11.13%	(-) $0.46	$3.67	$5.44

Sample Increase
Latest Market Price: 151.7
Previous Market Price: 140.2
(+) 11.5
% Change: 11.5 / 140.2 = **(+)** 8.2%

Sample Decrease
Latest Market Price: 124.6
Previous Market Price: 140.2
(-) 15.60
% Change: 15.6 / 140.2 = **(-)** 11.13%

(e) Upward Ceiling On Economic Price Adjustment.

(1) The Contractor agrees that the total increase in any contract item's unit price pursuant to the provisions of this clause shall not exceed (Note 5) percent per annum of the item's unit price at the inception of each contract year, except as provided under paragraph (e)(3).

(2) If at any time, the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(3) If an actual increase in a market price would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(4) There is no percentage limit on downward adjustments under this clause.

(f) Revision of the market price. In the event---

(1) any applicable market price indicator is discontinued or its method of derivation is altered substantially, or

(2) the Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions the parties shall mutually agree upon an appropriate substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(g) Contract Modifications. Price adjustment(s) pursuant to this clause shall be incorporated by a modification signed by the Contractor and the Contracting Officer. The modification shall be issued:

(1) within thirty (30) calendar days of the date of request by the Contractor and shall set forth the unit price(s) as adjusted in accordance with this clause to establish the new contract price(s),

(2) shall adjust the unit prices of any delivery orders issued during and following this 30 day period, and

(3) if the adjustment results in a decrease to the unit price(s) of any delivery orders issued during this 30 day period, the Contractor shall submit a credit memorandum in the amount of the decrease within 30 days of the date of the Modification. The credit will be applied to subsequent invoices.

(h) Final invoice. The Contractor shall include a statement on the final invoice for each contract year that amounts invoiced under this contract reflect all decreases required by this clause.

(i) Disputes. Any disagreement arising under this clause shall be resolved in accordance with the "Disputes" clause of the contract.

(End of Clause)

52.216-9067 Economic Price Adjustment - Liquid Propane Gas – DLA Distribution.

As prescribed in 16.203-4-90(l)(8), use the clause in contracts for procurement of liquid propane gas (LPG) by DLA Distribution only.

ECONOMIC PRICE ADJUSTMENT LIQUID PROPANE GAS – DLA DISTRIBUTION
(JAN 2013)

(a) Warranties. The Contractor warrants that –

(1) The unit prices set forth in the schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provision of this clause.

(b) Definitions. As used throughout this clause-

(1) The term "base price" means-

(i) The unit price offered for an item and included in the contract award schedule at time of award

(2) Market price means a price determined by an independent trade association, governmental body, or other third party and reported or made available in a consistent manner in a publication, electronic data base, or other form. This price may be either a single market price or a combination of market prices for price adjustment for individual items by product, market area, and publication as specified in paragraph (f) below.

(3) The term "base market price" means the preselected market price for an item as published on [Note 1] in the publication specified in paragraph (f).

(4) The adjusting market price means the average price listed in the publication specified in paragraph (f) immediately preceding the date of adjustment.

(c) Adjustments. The Contracting Officer shall issue a modification to the contract to reflect any price change pursuant to this clause. The Contract price shall be adjusted at the initial date of performance only if the change between the market price at the start of performance and the base market price equals 5% (positive or negative) or more of the contract price. Price changes thereafter shall be no more frequent than every two weeks. Therefore, after the initial date of performance, the difference between the current market price and the base market price will be determined on a weekly basis, providing there has not been a price adjustment in the prior week (in which case no adjustment would be applicable). The Contract price will be changed by this difference, (positive or negative), at any time the adjustment from the current price to the newly adjusted price (positive or negative) is determined to equal 5% or more of the base price. Price changes will be formally issued in a contract modification which will be effective on the fourth business day immediately following the date of the publication used for the adjusting market price. For example, if the adjusting market price was published on a Monday, the effective date of the price change would be the Friday of that same week.

(1) Calculations. The prices payable under this clause shall be determined by adjusting the award price by the same number of cents, or fraction thereof that the market price increases or decreases, per like unit of measure, no more than every two weeks, providing that such an adjustment would result in a 5% or more change between the base price and the adjusted contract price. All arithmetical calculations, including the final adjusted unit price shall be rounded to the nearest thousandth of a cent. For example, if performance started January 1, the contract award price is $2.00 and if the base market price on the base reference date is 150.000 cents, and the adjusting market priceimmediately preceding the performance period is 160.000 cents, the contract price shall increase by 10.000 cents $2.10 at the start of the performance period. If the adjusting market price was 155.000 cents instead of 160.000, there would be no adjustment, since the difference between the adjusting market price and the base market price is less than 5% of the base price. All calculations in this example are purely hypothetical, and not based on any actual dates or prices.

(2) Revision of published market price indicator. In the event--

(i) Any applicable market price is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially failed to reflect market conditions,-

the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with the Disputes clause of the contract.

(3) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of the Default clause of this contract, in which case the Contract shall be amended to make an equitable extension of the delivery schedule.

(4) Upward ceiling on economic price adjustment. The Contractor agrees that the total increase in any Contract unit price pursuant to these economic price adjustment provisions shall not exceed [Note 2] percent of the award price in any applicable program year (whether a single year or a multiyear program), except as provided hereafter. This [Note 2] percent is not cumulative for each program year, and instead is applied to the price in effect at the beginning of each program year, through the end of that program year.

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the market price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(d) Examination of records. The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(e) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(f) Publication, product, and location. The average of the high and low in Butane Propane News' (BPN's) Weekly Propane Newsletter, Propane Prices Update, Spot Prices for Natural Gas Liquids, at Mont Belvieu (not LDH) shall be used to calculate each four week average specified above. These prices measure the general rate and direction of price movement for this commodity within a market. This does not indicate a mandatory source of supply or area where bidders must obtain supplies.

(End of Clause)

Note 1: Requires contracting officer to fill in the appropriate base market price date in paragraph (b)(3). This date should be no later than the date of final proposal revisions.

Note 2: The contracting officer must also fill in the percentage applicable in (c)(4), as determined in accordance with 16.203-3-90 and local procedures.

52.216-9068 Economic Price Adjustment – Published Market Price -Electricity – Heat Rate.
As prescribed at 16.203-4(a)(2)(99), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – PUBLISHED MARKET PRICE - ELECTRICITY – HEAT RATE (NOV 2011)

(a) Warranties. The Contractor warrants that--

(1) The award price set forth in the Schedule does not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term--

(1) Adjusting market price means the market price to be used in calculating an economic price adjustment to arrive at the updated contract price for a given delivery month. Adjusting market prices are established two possible ways:

(i) In the fixed price trigger schedule attachment, there are trigger floors and trigger ceilings for specified volumes within each delivery month. If the [contracting officer fill-in applicable market index] natural gas price reaches either the trigger floor or the trigger ceiling for a specified volume, the adjusting market price is the trigger floor or trigger ceiling for that volume.

(ii) If neither the Trigger floor nor trigger ceiling prices are met for a given trigger volume, the adjusting market price of natural gas for all remaining volumes contained in the fixed price trigger schedule for the delivery month will be the [contracting officer fill-in applicable market index] final settlement price for that delivery month.

(2) Award price means the sum of the block energy adder and the product of the heat rate and the initial market price expressed in dollars per megawatt hour.

(3) Base (7X24) block energy means a block of electricity that covers electricity usage 7 days a week, 24 hours a day.

(4) Block energy adder is a fixed service fee, expressed in dollars per megawatt hour, that should cover all overhead and costs not included in the heat rate/market index component of the Contractor's price. At a minimum, the adder is expected to cover the Contractor's wholesale transmission, losses, ancillaries, intra- and inter-zonal congestion, and scheduling.

(5) Delivery month means the period between meter readings, as set forth in the statement of work.

(6) Heat rate means the measurement of the efficiency with which heat can be used to produce electricity. Specifically, it is the number of British thermal units required to produce one kilowatt hour of electricity. Under this solicitation, the heat rate for base (7x24) block energy is [contracting officer fill-in applicable heat rate] and the heat rate for on-peak (5x16) block energy is [contracting officer fill-in applicable heat rate].

(7) Initial Market Price means the market price for [contracting officer fill-in applicable market index] natural gas at time of award, expressed in dollars per British thermal units, as published by [contracting officer fill-in applicable publication].

(8) Market index is [contracting officer fill-in applicable publication and market index] natural gas.

(9) Market Price is the price for [contracting officer fill-in applicable market index] natural gas, expressed in dollars per British thermal units, as published by [contracting officer fill-in applicable publication].

(10) On-peak (5X16) Block Energy means a block of electricity that covers a customer's electricity usage Monday through Friday, 5 days a week, 16 hours a day. Peak hours are [contracting officer fill-in applicable peak hours], as defined by the [contracting officer fill-in applicable ISO/RTO].

(11) Settlement Price for a given delivery Month means the [contracting officer fill-in applicable market index] natural gas contract price as of three business days prior to the first calendar day of that

delivery month. Where a delivery month begins in one month (Month 1) and ends in the subsequent month (Month 2), the [contracting officer fill-in applicable market index] natural gas contract price as of three business days prior to the first calendar day of Month 2 will be used.

(12) Trigger means a pre-established floor or ceiling natural gas market price for a given volume of natural gas for a specified delivery month. (See the fixed price trigger schedule attachment).

(13) Trigger ceiling means the highest price for a specified volume contained in the fixed price trigger schedule. Where a ceiling is triggered for a given volume, the adjusting market price for that volume is locked in at the ceiling price, unless an exception specified in the statement of work applies.

(14) Trigger floor means the lowest price for a specified volume contained in the fixed price trigger schedule. Where a floor is triggered for a given volume, the adjusting market price for that volume is locked in at the floor price, unless an exception specified in the statement of work applies.

(15) Updated contract price means the sum of the block energy adder and the product of the heat rate and weighted adjusting market price expressed in dollars per megawatt hour.

(16) Upward ceiling means the highest allowable differential between the award price and an updated contract price.

(17) Weighted adjusting market price (WAMP) means the average of all triggered and/or settled adjusting market prices weighted by British Thermal units, for each delivery month expressed in dollars per MMBTU.

(c) Adjustments. The contract prices for electricity delivered in a given delivery month will be updated by inserting the WAMP for that month utilizing the formulas below.

Updated Contract Price_B = (Heat Rate_B * Weighted Adjusting Market Price) + Block Energy Adder_B

Updated Contract Price_P = (Heat Rate_P * Weighted Adjusting Market Price) + Block Energy Adder_P

Where the subscript B denotes Base (7X24) Block Energy and the subscript P denotes On-peak (5X16) Block Energy.

The heat rates and block energy adders are fixed for the contract term, while the WAMP component varies with the market based upon either the pre-established triggers set forth in the fixed price trigger schedule or the published [contracting officer fill-in applicable publication and market index] settlement price, as defined above.

(d) Calculations. All calculations shall be rounded to five decimal places.

(e) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions – Commercial Items clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(f) Upward ceiling on economic price adjustment. The Contractor agrees that in any delivery month of the contract term, the total increase in any base or on-peak updated contract price, pursuant to these economic price adjustment provisions, shall not exceed [contracting officer fill-in applicable upward ceiling] of the value of the award price.

Except as provided hereafter--

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract upward ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised upward ceiling which the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the established Market price would raise an updated contract price for an item above the current upward ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the Upward Ceiling. If the contract Upward Ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(g) Revision of market index indicator. In the event that--

(1) Any applicable market index indicator is discontinued or its method of derivation is altered substantially; or

(2) The Contracting Officer determines that the market index indicator consistently and substantially fails to reflect market conditions,-the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions – Commercial Items clause of this contract.

(h) Examination of records. The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(End of Clause)

52.216-9069 Economic Price Adjustment – Published Market Price – DLA Energy Domestic Bulk. As prescribed at 16.203-4(a)(2)(98), insert the following clause:

ECONOMIC PRICE ADJUSTMENT -- PUBLISHED MARKET PRICE - DLA ENERGY DOMESTIC BULK (NOV 2011)

(a) Warranties. The Contractor warrants that—

(1) The base unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term—

(1) Base unit price means the unit price set forth opposite the item in the Schedule.

(2) Market price means the price to be used in determining an economic price adjustment of the base unit price of an individual product for the market area and time period specified in this clause. The market price is derived from quotes, assessments, or sales prices in the market place for one or several items or commodity groups as reported in a consistent manner in a publication, electronic data base, or other form, as determined by an independent trade association, governmental body, or other third party independent of the Contractor.

(i) Base market price means the price as shown in Column V of the table below, which is the market price from which economic price adjustments are calculated pursuant to this clause.

(ii) Adjusting market price means the market price for deliveries during the most recent period, as defined in the table below.

(3) Date of delivery is defined as follows:

(i) For tanker or barge deliveries.

(A) Free on board (f.o.b.) origin. The date and time vessel commences loading.

(B) F.o.b. destination. The date and time vessel commences discharging.

(ii) For pipeline deliveries. The date and time product commences to move past the specified f.o.b. point.

(iii) For all other types of deliveries. The date product is received.

(c) Adjustments.

(1) Subject to the provisions of this clause, the price payable shall be the base unit price in effect on the date of delivery increased or decreased by the same number of cents, or fraction thereof, that the adjusting market price applicable at date of delivery increases or decreases, per like unit of measure, from the base market price.

(2) Calculations. All calculations shall be rounded to six decimal places.

(3) Modifications. Any resultant price changes to the base market price and base unit price shall be executed by the Contracting Officer through a weekly price adjustment modification effective each Tuesday.

(4) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions - Commercial Items clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(5) Upward ceiling on economic price adjustment. The Contractor agrees that the total increase in any contract unit price, pursuant to these economic price adjustment provisions shall not exceed (Note 1) percent of the original base unit price in any applicable program year (whether a single year or multiyear program), except as provided hereafter.

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling which the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the established market price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(6) Revision of market price indicator. In the event—

(i) Any applicable market price indicator is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions,-the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions - Commercial Items clause of this contract.

(d) Conversion factors. If this clause requires quantity conversions for economic price adjustment purposes, the conversion factors for applicable products, as specified in the DLA Energy conversion factor instruction, apply unless otherwise specified in the Schedule.

(e) Examination of records. The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(f) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(g) Table.

I. Heading under which market indicator is published
II. Base market price
III. Location where market price is applicable (excludes all taxes)
IV. Item number/ Name of product
V. Name of Publication
(see note(s) below)
(Notes - fill-in)

(End of Clause)

Note 1: The Contracting Officer shall complete the percentage as required in 16.203-4(a)(2)(XX)
Note 2: The Contracting Officer shall complete the table after coordinating with the Market Research Division.
Note 3: Method(s), and time period(s) for calculating the market price(s), as exemplified below:
For Platts Oilgram: "Note: The East/Gulf Coast adjusting market price will be firm for weekly periods and is defined as the average of the applicable daily Platts spot assessment quotations effective for the prior week. The simple average of the daily average highs and lows of the prices effective Monday through Friday (excluding any days prices that are not published) shall be the adjusting market price effective for the following Tuesday through Monday."
For Oil Price Information Service: "Note: The Rocky Mountain adjusting market price will be firm for weekly periods and is defined as the Oil Price Information Service Publication applicable weekly quotations effective for the prior week. The simple average of the highs and lows of the prices effective the prior week shall be the adjusting market price effective for Tuesday through Monday."

(End of Clause)

52.216-9070 Economic Price Adjustment – Daily Market Price Indicators (Ships' Bunkers).
As prescribed at 16.203-4(a)(2)(103), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – DAILY MARKET PRICE INDICATORS (SHIPS' BUNKERS)
(JUL 2010)

(a) Warranties: The Contractor warrants that--

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) Definitions: As used throughout this clause, the term--

(1) Award price means the original contract price.

(2) Reference price means the market price indicator set forth in the Table in (f) below with which the award price is to fluctuate.

(i) Base reference price means the market price indicator shown in the Table in (f) below and is the reference price from which economic price adjustments are calculated pursuant to this clause. This price will be expressed as Base Ref. Price in any price adjustment notification issued through contract modifications and/or postings to the web page under the heading Vendor Resources and then Product

Price Adjustments. The base reference date annotated in the Table shall remain unchanged throughout the life of the contract.

(ii) Adjusting reference price means the market price indicator in effect on the date of delivery, used to determine the change in reference price. In the event one or more applicable reference prices are not (or were not) published, then the term adjusting reference price means the market price indicator for an item as published on the date nearest in time on or prior to the effective calendar date as expressed in (4) below. It is annotated as New Ref. Price in any Price Adjustment (PA) modification issued.

(3) Current unit price means the price in effect for the day that the price adjustment provisions discussed in paragraph (c) below begin. This price, expressed as Latest Unit Price in any price adjustment notification issued through contract modifications and/or postings to the web page under the heading Vendor Resources and then Product Price Adjustments, shall be the unit price charged to the Government for supplies delivered under the contract.

(4) Date of delivery means the date and time product is received by the requesting activity/ vessel. This is shown by signature of receipt by the Government representative for the entire delivery. A single delivery that began on one date and ended on another date shall be considered as received on the date of completion annotated by the Government on the bunker delivery document. Excusable delays in delivery shall be handled on a case-by-case basis by the Contracting Officer.

(5) Calendar week means a consecutive seven-day period, beginning with Monday, unless otherwise specified in (c)(1) below.

(6) Published means issued in either print or electronic format by the service designated to be employed as an escalator, unless otherwise specifically stated. In the event of a conflict between the prices set forth in the print version and those set forth in the electronic version for the same date, the electronic version shall prevail, unless otherwise specified in (c)(1) below.

(c) Adjustments: The prices payable under this contract shall be the award price increased or decreased by the amount that the reference price shall have increased or decreased as of the date of delivery. The amount of increase or decrease in the award price shall be based on the same number of cents, or fraction thereof, that the reference price increases or decreases per like unit of measure.

(1) Day of publication: The adjusting reference price in effect on the date of delivery shall be that item's reference price effective (and normally published) on the date in which the delivery is made, or, in the event there is no publication on that day, it shall be the item's reference price as last previously published prior to that date.

Note: Platts issues corrections to its published prices on a regular basis. Platts posts corrections to its website (http://www.platts.com) for its subscribers. If a correction to a reference price is found on the Platts website, all of the items that use that reference price will be corrected. will correct any other reference prices, as notice of the correction is received. will work with the pricing services to determine the appropriate price, whenever an offeror or Contractor can show that the price referenced should be reviewed.

(2) Calculations:

(i) If averages are published within a given publication, then these averages will be used.

(ii) For prices in U.S. gallons, if averages are not available within a given publication, calculated averages, carried to six decimal places, rounded, will be used. For prices in metric tons, if averages are not available within a given publication, calculated averages, carried to two decimal places, rounded, will be used. For domestic contract line items, conversions from metric tons to gallons shall be utilized through the conversion factors clause for the applicable publication reference product. Barrels shall be converted using the conversion factors instruction for barrels to gallons. If this clause requires quantity conversion for economic price adjustment purposes, the conversion factors for applicable products, as specified in the Conversion Factor Instruction, apply unless otherwise specified in the Schedule in the

Table (f) below. Details on the specific products covered and the method of conversion can be found in Instruction M55 (MAR 2007), which is included in solicitations and resulting contracts when conversion factors are required.

(iii) For domestic contract line items, the final calculated reference price, as well as any intermediary arithmetical calculations, will consist of a number including six decimal places, rounded. For overseas contract line items, the final calculated reference price, as well as any intermediary arithmetical calculations, will consist of a number including two decimal places, rounded.

(iv) For domestic contract line items, the final adjusted unit price will always consist of a number including six decimal places, rounded. For overseas contract line items, the final adjusted unit price will always consist of a number including two decimal places, rounded.

(3) Failure to deliver: Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions – Commercial Items clause of this contract in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(4) Upward ceiling on economic price adjustments: The Contractor agrees that the total increase in any contract unit price shall not exceed {contracting officer fill-in applicable upward ceiling}-_____ percent (%) of the award price, except as provided hereafter:

(i) If, at any time, the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with an appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(5) Revision of reference price: In the event--

(i) Any applicable reference price (market price indicator) is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the reference price consistently and substantially failed to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on or just prior to the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. Failure to agree on an appropriate substitute shall be considered a "dispute" within the meaning of paragraph (d), Disputes, of the Contract Terms And Conditions -- Commercial Items clause of the contract.

(d) Examination of records: The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(e) Final invoice: The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(f) Table: The following publication(s)/date(s) apply: {contracting officer fill-in of applicable information}.

Note to contracting officer: - select one of the following choices:

(1) Insert the following table when the solicitation does not contain numerous items:

Base reference Item no.	Base reference publication	Base reference heading	Base reference date	Base reference price

or

(2) (at Contracting Officer's discretion) Insert for Ships' Bunker programs when the solicitation is for a major program buy:

"See the continuation pages to this clause at Attachment C for a listing of each line item, the applicable publications for each line item, as well as the applicable reference heading, base reference date and base reference price."

The Contracting Officer shall insert the appropriate table at Attachment C.

(End of Clause)

52.216-9071 Economic Price Adjustment – Market Price – Posts, Camps, and Stations (PC&S) – Korea/Guam/Japan.

As prescribed at 16.203-4(a)(2)(100), insert the following clause:

ECONOMIC PRICE ADJUSTMENT - MARKET PRICE - POSTS, CAMPS, AND STATIONS (PC&S) KOREA/GUAM/JAPAN (NOV 2011)

(a) Warranties. The Contractor warrants that—

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term—

(1) Base unit price means the unit price set forth opposite the item in Section B of the Schedule.

(2) Market price means a price determined by an independent trade association, governmental body, or other third party and reported or made available in a consistent manner in a publication, electronic data base, or other form. This price may be either a single market price or a combination of market prices for price adjustment for individual items by product, market area, and publication as specified in the Table in (g) below. For purposes of this procurement, the market price is the average of the prices published in Platt's Oilgram Price Report. The applicable market price is identified by product following the Table in (g) below.

(i) Base market price means the price as shown in column IV of the Table in (g) below and is the market price from which economic price adjustments are calculated pursuant to this clause.

(ii) Adjusting market price means the market price in effect on the date of delivery and that will be used to determine the change in market price as defined in (c)(1) below.

(3) Date of delivery is defined as follows:

(i) For free on board (f.o.b.) destination truck deliveries. The date product is received, on a truck-by-truck basis.

(ii) For all other types of deliveries. The date and time product commences moving past the specified f.o.b. point.

(c) See Note 1.

(1) Subject to the provisions of this clause, the prices payable hereunder shall be determined by adding to the base unit price the same number of cents, or fraction thereof, that the adjusting market price increases or decreases, per like unit of measure, subsequent to the date on which the base market price is established (see column IV of the Table). The prices payable shall be issued through semimonthly contract notifications effective the first and third Monday of each month.

(2) Contract price adjustments shall be provided via notification through contract modifications and/or posting to the web page under the heading Vendor Resources and then Product Price Adjustments.

(3) All arithmetical calculations, including the final adjusted unit price, shall be rounded to four decimal places.

(4) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions - Commercial Items clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(5) Upward ceiling on economic price adjustment. The Contractor agrees that the total increase in any contract unit price, pursuant to these economic price adjustment provisions, shall not exceed See Note 2____ percent of the base unit price in any applicable program year (whether a single year or a multiyear program), except as provided hereafter.

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with an appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the market price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(6) Revision of market price indicator. In the event—

(i) Any applicable market price indicator is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions,-the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), disputes, of the Contract Terms And Conditions - Commercial Items clause of this contract.

(d) Conversion factors. If this clause requires quantity conversion for economic price adjustment purposes, the conversion factors for applicable products, as specified in the Conversion Factor Instruction, apply unless otherwise specified in the Schedule.

(e) Examination of records. The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(f) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(g) Table.

I II III IV
Heading under which market price is published and
Base market price
Name of publication
as of _____
Item no. (see (b)(2) above) name of product (date of publication)
(see note 3)

(End of Clause)

Note 1: The Contracting Officer shall insert the following:
(For Korea and Guam only):
(c) Adjustments.
(For Japan only):
(c) Adjustments. For products delivered by barge or tanker, the Contractor shall notify the Contracting Officer of any delivery and associated change in the adjusting market price within 15 days from the date thereof. For products delivered via other modes (TT, TW, etc.), price adjustments shall be semimonthly and shall occur on the first and third Monday of each month. No increase in a contract unit price for barge or tanker deliveries shall be executed pursuant to this provision until the increase in the applicable adjusting market price has been verified by the Contracting Officer.
Note 2: The Contracting Officer shall insert the appropriate ceiling percentage in paragraph (c)(4) as determined by the Chief of the Contracting Office or designee (reference note 2 of the clause). Explicit approval must be obtained for any ceiling exceeding ten (10) percent in accordance with DLAD 16.203-3 (94).
Note 3: The Contracting Officer shall coordinate with the Market Research Section (DESC-RN) before completion of fill in the blank information sections of the clause such as base market, and publication dates, to ensure the accuracy of the information and the correct selection of the market price.

52.216-9072 Economic Price Adjustment - Petroleum Product Price , Post, Camp, and Station (PC&S).
As prescribed at 16.203-4(a)(2)(101), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – PETROLEUM PRODUCT PRICE, POST, CAMP AND STATION (PC&S) (NOV 2011)

(a) Warranties: The Contractor warrants that—

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed daily in accordance with the provisions of this clause.

(b) Definitions: As used throughout this clause, the term--

(1) Base price means—

(i) The unit price offered for an item and included in the contract award schedule; or

(ii) During any subsequent program year, either the effective contract price as of the start of the subsequent program year, or the price agreed upon as of the start of the subsequent program year.

(2) Base reference price means the reference price for an item as published on_____. In the event one or more applicable reference prices are not (or were not) published on the date shown, then the term base reference price means the reference price for an item as published on the date nearest in time prior to the date shown.

(3) Reference price means that published reference price or combination of published reference prices for price adjustment of individual items by product, market area, and publication as specified in (f) below.

(4) Date of delivery means—

(i) For tanker or barge deliveries.

(A) Free on board (f.o.b.) origin: The date and time vessel commences loading.

(B) F.o.b. destination: The date and time vessel commences discharging.

(ii) For all other types of deliveries: The date product is received on a truck-by-truck basis.

(5) Published means issued in either printed or electronic format by the service designated to be employed as an escalator, unless otherwise specifically stated. In the event of a conflict between the price set forth in the print version and those set forth in the electronic version for the same date, the electronic version shall prevail unless otherwise specified in (c) below.

(c) Adjustments: Contract price adjustments shall be provided via notification through contract modifications and/or posting to the web page under the heading Vendor Resources and then Product Price Adjustments to reflect any price change pursuant to this clause.

(1) Calculations: The prices payable hereunder shall be determined by adjusting the award price by the same number of cents, or fraction thereof, that the daily reference price increases or decreases, per like unit of measure. All arithmetical calculations, including the final adjusted unit price, shall be carried to six decimal places.

Oil price information service (OPIS): For all items employing OPIS, the reference price in effect on the date of delivery shall be the end of day OPIS rack average effective (6:00 p.m. timestamp) that day. In the event there is no price published for date of delivery, then it shall be the item's reference price that was last in effect.

Other publications: Except for items employing OPIS, the reference price in effect on the date of delivery shall be that item's preselected reference price that is in effect the date of delivery. In the event there is no price published for date of delivery, then it shall be the item's reference price that was last in effect.

(2) Revision of published reference price: In the event—

(i) Any applicable reference price is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the reference price consistently and substantially failed to reflect market conditions—

the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on the date the reference price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions - Commercial Items clause of this contract.

(3) Failure to deliver: Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions - Commercial Items clause of this contract in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(4) Upward ceiling on economic price adjustment: The Contractor agrees that the total increase in any contract unit price pursuant to these economic price adjustment provisions shall not exceed _____ percent (%) of the of the base price in any applicable program year, except as provided below.

If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with an appropriate explanation and documentation as required by the Contracting Officer.

If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(d) Examination of records: The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(e) Final invoice: The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(f) Publications. The following publication(s) is (are) used:

(End of Clause)

52.216-9073 Economic Price Adjustment – Petroleum Product Market Price, Post, Camp, and Station (PC&S) Belgium.

As prescribed at 16.203-4(a)(2)(102), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – PETROLEUM PRODUCT MARKET PRICE, POST, CAMP, AND STATION (PC&S) BELGIUM (JUN 2010)

(a) Warranties: The Contractor warrants that—

The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) Definitions: As used throughout this clause, the term—

Award price means the unit price set forth opposite the item in the Schedule. The award price consists of the market price (the official posted Belgium government product price (see (2) below) less applicable taxes and duties (as specified in the Tax Relief clause), and the firm rebate.

Market price for all products (including fuel oils, gasoline, and diesel products) means the current applicable official Belgium Government price as published in “Officieel tarief van de aardolieprodukten.” The current applicable official Belgium Government price as published in “Officieel tarief van de aardolieprodukten” sets the maximum price that can be charged for the specified petroleum products referenced in this clause. For deliveries of Fuel Oils at and over 2,000 liters, the official Belgium Government price will be the gasoil chauffage camion (a partir de 2000 L) (excluding all applicable duties/taxes, e.g., Excise Duties/Fuel Oil/U.S. Government NATO Exemption taxes) and a firm fixed rebate that is deducted from the official Belgium Government price. For deliveries of Fuel Oils under 2,000 liters, the official Belgium Government price will be the gasoil chauffage (moins de 2000 L) (excluding all applicable duties/taxes, e.g., Excise Duties/Fuel Oil/U.S. Government NATO Exemption

taxes) and a firm fixed rebate that is deducted from the official Belgium Government price. For deliveries of Gasoline, the official Belgium Government price will be the PRIX A LA POMPE Essence Super 95 RON - 10S (excluding all applicable duties/taxes, e.g., Excise Duties/Fuel Oil/U.S. Government NATO Exemption taxes) and a firm fixed rebate that is deducted from the official Belgium Government price. For deliveries of Diesel the official Belgium Government price will be the PRIX A LA POMPE Diesel 10S (excluding all applicable duties/taxes, e.g., Excise Duties/Fuel Oil/U.S. Government NATO Exemption taxes) and a firm fixed rebate that is deducted from the official Belgium Government price. Date of delivery means the date and time of product delivery completion via the method of delivery specified in the Schedule.

(c) Adjustments:

Notification: The Contractor shall notify by facsimile or letter within five calendar days of any official price change issued by the Belgium Government in the "Officieel tarief van de aardolieprodukten." The notification shall be accompanied by a copy of the document showing the new market price.

Subject to the provisions of this clause, the prices payable hereunder shall be the market price incorporated into the contract less applicable taxes and duties, and the firm rebate.

The Contracting Officer shall, pursuant to the provisions of this clause, issue a contract notification to incorporate the new market price, effective on the publication date of such market price.

Contract price adjustments shall be provided via notification through contract modifications and/or posting to the web page under the heading Vendor Resources and then Product Price Adjustments.

(d) Upward ceiling on economic price adjustment:

The Contractor agrees that the total increase in any contract unit price shall not exceed ___ percent (%) of the award price during the first program year or of the unit price in effect as of the start of any subsequent program year (if this is a long-term or multiyear program), except as provided hereafter:

(1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for the item(s), the Contractor shall promptly notify the Contracting Officer in writing of the estimated effective date and the amount of the expected increase. The notification shall include a revised ceiling sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(2) If an actual increase in the market price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract will not be modified, the Contracting Officer shall promptly notify the Contractor in writing that the ceiling will not be raised.

(e) Revision of market price indicator: In the event—

(1) Any applicable market price is discontinued or its method of derivation is altered substantially; or

(2) The Contracting Officer determines that the market price indicator consistently and substantially failed to reflect market conditions. The parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions - Commercial Items clause of this contract.

(f) Failure to deliver: Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions --

Commercial Items clause of this contract, or is the result of an allocation made in accordance with the terms of the Allocation clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(g) Examination of records: The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(h) Final invoice: he Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(End of Clause)

52.216-9074 Economic Price Adjustment - Market Price And Actual Transportation Cost (Natural Gas) Alaska.

As prescribed at 16.203-4(a)(2)(104), insert the following clause:

ECONOMIC PRICE ADJUSTMENT -- MARKET PRICE AND ACTUAL TRANSPORTATION COST - NATURAL GAS - ALASKA (JUN 2010)

(a) Warranties. The Contractor warrants that—

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) DEFINITIONS. As used in this clause, the term—

(1) Contract unit price is the market price based on a fixed percentage of the ENSTAR Natural Gas Company’s current approved and published Enstar natural gas cost adjustment tariff rate on file with the regulatory commission of Alaska, expressed in dollars per thousand cubic feet (MCF). All other Enstar applicable tariff components (transportation, regulatory fees, company use gas, etc.) will be passed through at cost. Customer service charges and meter fees imposed by Enstar Natural Gas Company, as permitted by the tariff, will be considered pass-through utility charges.

(2) Local Distribution Company (LDC) means the local public utility operating in a franchised area without competition that transports gas over its own distribution lines from its interconnection points with an interstate or intrastate pipeline to customers.

(3) Market price indicator is the Enstar natural gas cost adjustment tariff rate on file with the regulatory commission of Alaska.

(c) Price adjustments. The contract unit price will be changed only as a result of a revision of the Enstar Natural Gas Cost Adjustment tariff rate. If the ENSTAR Natural Gas Cost Adjustment is revised, the fixed percentage stated in the contract schedule page shall be applied to the revised Gas Cost Adjustment to obtain the new contract unit price.

(1) Calculations. All numbers used in or derived through calculations prescribed by this clause shall be rounded to four decimal places.

(2) Upward ceiling on economic price adjustments.

(i) The Contractor agrees that any increase in the contract unit price pursuant to this clause shall not exceed __(Contracting Officer fill-in see Note 1)_percent of the contract unit price effective at time of award. If market conditions warrant, the Government may institute a contract ceiling increase.

(ii) If, at any time, the Contractor has reason to believe that within the near future an increase in the ENSTAR Natural Gas Company’s Adjustment tariff rate would raise the contract unit price above the current ceiling, the Contractor shall notify the Contracting Officer of the expected increase. At the same time, the Contractor shall propose a revised ceiling sufficient to permit completion of remaining contract

performance. The Contractor's proposal shall be supported by appropriate explanations and documentation as required by the Contracting Officer.

(iii) If an actual increase in the market price would raise the contract unit price above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders, as of the effective date of the increase, until the Contracting Officer notifies the Contractor that the ceiling will or will not be raised. In the case where the Contractor receives confirmation that the ceiling will be raised, the Contractor is required to continue performance.

(3) Revision of market price indicator. If the applicable market price indicator is discontinued, its method of derivation is altered substantially, or the Contracting Officer determines that the market price indicator consistently and substantially failed to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions -- Commercial Items (Natural Gas) clause.

(d) Examination of records. The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(End of Clause)

Note 1: The Contracting Officer is required to fill-in the applicable ceiling in paragraph (c)(2)(i)

52.216-9075 Economic Price Adjustment – Published Market Price –Ships Bunkers.
As prescribed at 16.203-4(a)(2)(105), insert the following clause:

ECONOMIC PRICE ADJUSTMENT – MARKET PRICE INDICATORS - SHIPS BUNKERS
(NOV 2011)

(a) Warranties. The Contractor warrants that –

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause, the term-

(1) Award price means the original contract price.

(2) Reference price means the market price indicator set forth in the Table in (f) below with which the award price is to fluctuate.

(i) Base reference price means the market price indicator shown in the Table in (f) below and is the reference price from which economic price adjustments are calculated pursuant to this clause. This price will be expressed as base reference price in any price adjustment notification issued through contract modifications and/or postings to the DLA Energy web page under the heading vendor resources and then product price adjustments. The base reference date annotated in the table shall remain unchanged throughout the life of the contract.

(ii) Adjusting reference price means the market price indicator in effect in the calendar week of the date of delivery, used to determine the change in reference price. In the event one or more applicable reference prices are not (or were not) published, then the term adjusting reference price means the market price indicator for an item as published on the date nearest in time on or prior to the effective calendar date as expressed in (4) below. It is annotated as new reference price in any price adjustment notification (PA) modification issued.

(3) Current unit price means the most current price in effect for the week that the price adjustment provisions discussed in paragraph (c) below begin. This price, expressed as latest unit price in any price adjustment notification issued through contract modifications and/or postings to the DLA Energy web page under the heading vendor resources and then product price adjustments shall be the unit price charged to the Government for supplies delivered under the contract.

(4) Date of delivery means the date and time product is received by the requesting activity/vessel. This is shown by signature of receipt by the Government representative for the entire delivery. A single delivery that began on one date and ended on another date shall be considered as received on the date of completion annotated by the Government on the bunker delivery document. Excusable delays in delivery shall be handled on a case-by-case basis by the Contracting Officer.

(5) alendar week means a consecutive seven-day period, beginning with Monday, unless otherwise specified in (c)(1) below.

(6) Published means issued in either print or electronic format by the service designated to be employed as an escalator, unless otherwise specifically stated. In the event of a conflict between the prices set forth in the print version and those set forth in the electronic version for the same date, the electronic version shall prevail, unless otherwise specified in (c)(1) below.

(c) Adjustments. The prices payable under this contract shall be the award price increased or decreased by the amount that the reference price shall have increased or decreased through the date of delivery. The amount of increase or decrease in the award price shall be based on the same number of cents, or fraction thereof, that the reference price increases or decreases per like unit of measure.

(1) Day of publication.

(i) Platt's bunkerwire and bunkerfuels report. For items employing Platt's Bunkerwire and Bunker Fuels Report, the adjusting reference price in effect on the date of delivery shall be that item's reference price effective (and normally published) on the Tuesday of the calendar week in which the delivery is made, or, in the event there is no publication on Tuesday of that week, it shall be the item's reference price as last previously published prior to that Tuesday.

(ii) Platt’s Oilgram price report. For items employing Platt's Oilgram Price Report, spot price assessment, the adjusting reference price in effect on the date of delivery shall be that item's reference price in effect for the Monday of the calendar week in which the delivery is made, or, in the event there is no price for that Monday, it shall be the item's reference price in effect for the date nearest in time prior to that Monday. For items employing Platt’s Oilgram Price Report, 5 day rolling average, the reference price in effect on the date of delivery shall be the average of that item’s reference price effective for 5 consecutive days ending Friday prior to the calendar week in which the delivery is made. In the event there is no price for any one or more of those 5 days, the reference price shall be calculated by averaging the last 5 days for which prices were in effect on or prior to that Friday.

(iii) AXXIS. For items employing AXXIS, the adjusting reference price shall be that item’s reference price in effect for the Thursday of the calendar week prior to the date that delivery is made. In the event there is no price for that Thursday, it shall be the item’s reference price in effect for the date nearest in time prior to that Thursday.

(iv) Oil price information service (OPIS). For items employing OPIS, the adjusting reference price in effect on the date of delivery shall be that item’s reference price published, in print, on the Monday of the calendar week in which delivery is made. In the event there is no publication in that week, it shall be the item’s reference price as last previously published in the print edition.

Note: Generally, the Monday print edition of OPIS contains the prices in effect for the prior Thursday. However, the Monday print edition of OPIS may contain prices for a date other than the prior Thursday. In any event, the prices appearing in the Monday print edition shall have control.

(v) When a combination of two different publications is utilized, the applicable reference dates will be stated in paragraph (f) below, unless paragraph (f) references an attachment, in which case the reference dates will be provided in that attachment .

(vi) Platts issues corrections to its published prices on a regular basis. Platts posts corrections to its website (http://www.platts.com) for its subscribers. If a correction to a reference price is found on the Platts website, all of the items that use that reference price will be corrected. DLA Energy will correct any other reference prices, as notice of the correct is received. DLA Energy will work with the pricing services to determine the appropriate price, whenever an offeror or Contractor can show that the price referenced should be reviewed.

(2) Calculations.

(i) If averages are published within a given publication, then these averages will be used.

(ii) or prices in U.S. gallons, if averages are not available within a given publication, DLA Energy calculated averages, carried to six decimal places, rounded, will be used based on the low and high prices. For prices in metric tons, if averages are not available within a given publication, DLA Energy calculated averages, carried to two decimal places, rounded, will be used. For domestic contract line items, DLA Energy conversions from metric tons to gallons shall be calculated based on the conversion factors Instruction for the applicable publication reference product. Barrels shall be converted using the DLA Energy conversion factors Instruction line for barrels to gallons. The above shall apply unless cited differently in the Table in (f) below.

(iii) For domestic contract line items, the final calculated reference price, as well as any intermediary arithmetical calculations, will consist of a number including six decimal places, rounded. For overseas contract line items, the final calculated reference price, as well as any intermediary arithmetical calculations, will consist of a number including two decimal places, rounded.

(iv) For domestic contract line items, the final adjusted unit price will always consist of a number including six decimal places, rounded. For overseas contract line items, the final adjusted unit price will always consist of a number including two decimal places, rounded.

(3) Failure to deliver. Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the Contract Terms And Conditions – Commercial Items clause of this contract in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(4) Upward ceiling on economic price adjustments. The Contractor agrees that the total increase in any contract unit price shall not exceed [contracting officer fill-in applicable upward ceiling]_ percent of the award price, except as provided hereafter:

(i) If, at any time, the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with an appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(5) Revision of reference price. In the event—

(i) Any applicable reference price (market price indicator) is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the reference price consistently and substantially fails to reflect market conditions—

the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on or just prior to the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the Contract Terms And Conditions – Commercial Items clause of the contract.

(d) Examination of records. The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, and other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(e) Final invoice. The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(f) Table. The following publication(s)/date(s) apply: [contracting officer fill-in of applicable information].

Note to contracting officer: - select one of the following choices:

(1) Insert the following table when the solicitation does not contain numerous items:

Base reference Item no.	Base reference publication	Base reference heading	Base reference date	Base reference price

or

(2) (at Contracting Officer's discretion) Insert for Ships' Bunker programs when the solicitation is for a major program buy:

"See the continuation pages to this clause at Attachment C for a listing of each line item, the applicable publications for each line item, as well as the applicable reference heading, base reference date and base reference price."

The Contracting Officer shall insert the appropriate table at Attachment C.

(End of Clause)

52.216-9083 Restitution.

As prescribed in 16.506-97, insert the following clause:

RESTITUTION (SEP 2012)

(a) Warranties. The Contractor warrants that the unit prices included in the schedule do not include allowances for any portion of the contingency covered by this clause.

(b) Restitution is an export subsidy given by the governments of European Community member countries to companies for specific products they export to third countries. These subsidies enable foreign companies to charge less for exports.

(1) Restitution also applies to sales to the United States Forces stationed in Europe under the Status of Forces Agreement (SOFA). Accordingly, restitution applies to this contract.

(2) The amount of restitution provided by these Governments changes from time to time and is expected to be reduced and eventually eliminated. Accordingly, the unit prices subject to restitution under this Contract shall be increased or decreased to cover some or all (see paragraph (c)) of these changes in the restitution amount.

(c) estitution schedule(s):

(1) Restitution applies to the following items/products: _(The contracting officer shall insert the appropriate language based upon the type of product(s) as listed here in the clause):
(The contracting officer shall insert the line item number(s) and product(s) that are subject to the restitution.)

(2) The offeror shall provide a restitution schedule with its offer.

(i) This restitution schedule is a listing of the items subject to adjustment under this clause and shall include the contract line items, product names, unit prices and amount of restitution contained in each.

(ii) This restitution schedule shall be verified by the Contracting Officer and shall be included in the Contract at paragraph (g) to the extent verified by the Contracting Officer.

(3) Restitution adjustments shall be limited to those items listed in the restitution schedule and are authorized to be made [The contracting officer shall insert the frequency of the adjustments to be made during the life of the contract in terms of days, months, or other appropriate period].

(i) Revised restitution schedules shall be required whenever there are changes in restitution authorized by this clause. (See paragraph (d)).

(ii) Whenever a revised restitution schedule becomes effective, it shall be incorporated into paragraph (g) and replace the existing restitution schedule.

(d) Adjustment in restitution:

(1) During the basic Contract year the first adjustment consideration date will be _[The contracting officer shall insert the day and month of the first authorized adjustment period, i.e., 1 January]_. After this date the next adjustment consideration will be _[The contracting officer shall insert the day and months of the subsequent authorized adjustment periods, i.e., 1 April, 1 July, etc.]_.

(2) When an adjustment is authorized by this clause, the Contractor shall notify the Contracting Officer if the rates of restitution for the same item shown in the restitution schedule either increase or decrease. The Contractor shall furnish this notice within _[*The contracting officer shall insert the number of days the contractor has to submit an adjustment request.*]_ days after the restitution amount is increased or decreased, or within any period that the contracting officer may approve in writing.

(3) The notice shall include the Contractor's proposal for an adjustment in the contract unit prices and shall include, in the form required by the Contracting Officer, supporting data explaining the cause, effective date(s) for the new restitution rate(s), amount of the increase or decrease, the amount of the contractor's adjustment proposal, and any other information required by the Contracting Officer to verify the revised restitution amount(s) and the proposed adjustment(s).

(i) This supporting documentation shall also include the calculations used to derive the adjusted unit price(s) and a revised restitution schedule updated to reflect the new proposed contract unit prices and restitution rates.

(A) The revised restitution schedule shall include the same information as the original restitution schedule discussed in paragraph (c) above.

(B) The revised restitution schedule shall cover the current term of the contract. Also, if not all the items on the revised restitution schedule were affected by the current adjustment, those subject to adjustment shall be highlighted.

(ii) Those items not subject to adjustment shall reflect the same restitution amount as contained in the existing restitution schedule in paragraph (g).

(4) Calculation of the revised unit price based upon changes in restitution.

(i) The restitution amounts agreed to at time of award shall serve as the basis for the initial adjustment. Once the adjustment is made, the revised restitution amounts will serve as the basis for the next adjustment. Restitution adjustments shall be calculated using the following formula:

(A) If restitution decreases:

Current restitution amount (per contract item unit price)
- Revised restitution amount (per contract item unit price)

= Unit price adjustment
The unit price adjustment shall be added to the unit price to determine the revised unit price.
(B) If restitution increases:
Current restitution amount (per contract item unit price)
- Revised restitution amount (per contract item unit price)

= Unit price adjustment
The unit price adjustment shall be subtracted from the unit price to determine the revised unit price.

(e) Promptly after the contracting officer receives the notice and data under paragraph (d) above, the Contracting Officer shall make a price adjustment in the contract unit prices.

(1) The effective date of any price adjustment shall be no later than _(The contracting officer shall insert the number of days the Government has to evaluate and finalize a price adjustment) days after the Government receives the contractor's restitution change proposal.

(2) The Contracting Officer may postpone the adjustment until an accumulation of increases or decreases per item results in an adjustment allowable under sub-paragraph (f)(6) of this clause. The Contracting Officer's price verification analysis shall include using the information contained in ___[The contracting officer shall insert the publication(s) which contain the restitution amount information and will be used in the price verification analysis]____.

(3) The Contracting Officer shall modify this contract (1) to include the price adjustment and its effective date and (2) replace the existing restitution schedule in paragraph (g) with the revised restitution schedule to reflect the increase or decrease resulting from the adjustment. The Contractor shall continue performance pending any adjustment under this clause.

(f) Any price adjustment under this clause is subject to the following limitations:

(1) Decreases in the rate of restitution for products shown in the current restitution schedule in paragraph (g). There shall be no adjustment for --

(i) supplies or services for which the unit price is not affected by such changes, or

(ii) changes in unit price other than for those items shown in the Restitution Schedule.

(2) The aggregate of the increase in any contract unit price shall not exceed 10% of the original contract unit price. There is no percentage limit on downward adjustments under this clause.

(3) No upward adjustment shall apply prior to the effective date of the adjustment as set forth in the contract modification.

(4) The adjusted contract unit prices shall apply only to quantities delivered and accepted on or after the effective date of the adjustment as set forth in the contract modification.

(5) No modification increasing the contract unit price shall be executed until the contracting officer verifies the decrease in the restitution.

(6) There shall be no adjustment unless the value of the adjustment is at least 100 Euro per item, based upon the estimated weekly quantities.

(7) The Contractor shall certify on the final invoice that amounts invoiced under this contract have applied all restitution increases.

(g) The offeror shall attach a restitution schedule with his/her offer. (See paragraph (c). This paragraph shall be revised whenever a new restitution schedule applies).

Restitution schedule:

(The contracting officer shall insert the Contractor's proposed restitution schedule into the resulting contract.)

(End of Clause)

52.216-9084 Economic Price Adjustment – National Contracts – Subsistence.
As prescribed at 16.203-4(a)(2)(106), insert the following clause.

ECONOMIC PRICE ADJUSTMENT (EPA) – NATIONAL CONTRACTS – SUBSISTENCE
(OCT 2014)

(a) *Warranties*. For the portion of the Schedule that is covered by this EPA clause, the Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) The base market price for the purpose of the adjustment calculations under this clause shall be the arithmetic average of the prices for each applicable economic indicator for the period specified under the "Base Market Price Period" column below; for the initial Base Market Price, the specified period shall end with either the solicitation closing date for proposals (if no discussions are held)[,] the due date for final proposal revisions (if discussions are held)**,** or the solicitation opening date (if sealed bidding is used), as applicable.

ITEM	ECONOMIC INDICATOR	PUBLISHER/ PUBLICATION/FREQUENCY PUBLISHED	BASE MARKET PRICE PERIOD	ADJUSTING MARKET PRICE PERIOD
[*Contracting Officer shall fill in.*]				

(c) The adjusting market price shall be the arithmetic average of the prices of each applicable economic indicator published for the period specified under the "Adjusting Market Price Period" column shown in paragraph (b) immediately preceding the effective date of the adjustment period. "Base unit price" is the unit price as awarded for the base contract period and for each pricing tier period or option period for each item subject to adjustment pursuant to this clause, and shall be used in calculating price adjustments. This price is exclusive of any adjustment pursuant to this clause.

(d) An established market price is a price established in the course of ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s); and the net price after applying any standard trade discounts offered by the Contractor. The established market price under this clause may reflect industry-wide and/or geographically-based market price fluctuations for commodity groups or specific supplies. The economic indicators and publications to be used in determining the established market prices for purposes of this clause are listed in paragraph (b) of this clause.

(e) "Adjustment period" is the amount of time, measured in months, during which the unit price for each contract line item must remain fixed.

(1) The initial base unit price (see paragraph (c) above) shall be the price for the first adjustment period following contact award.

(2) The length of each adjustment period will be (*Contracting Officer shall insert number*) months;

(3) Unit Prices shall not be adjusted for the first adjustment period following contract award and may only be adjusted for each adjustment period after that first adjustment period; and

(4) There shall be (*Contract Officer shall insert number*) adjustment periods per calendar year.

(f) "Adjusted Unit Price" is the adjusted price for each contract line item applicable at the start of and throughout each new adjustment period, as calculated following the procedure in (g) below.

(g) The Adjusted Unit Price for each item for each adjustment period shall be determined by increasing or decreasing (as appropriate) the Base Unit Price applicable to that adjustment period for each item by

the applicable Market Price Change for each item. Each Adjusted Unit Price shall be rounded to two decimal places. Adjustments shall be calculated as follows:

(1) Compute the Adjusting Market Price and the Base Market Price for each item subject to adjustment. (Round to four decimal places)

(2) Adjusting Market Price – Base Market Price = Market Price Change (+ or -). (Round to two decimal places)

(3) Current Base Unit Price (+ or -) Market Price Change = Adjusted Unit Price.

(4) The following calculation example is provided.

EXAMPLE OF ADJUSTMENT CALCULATION

Final Proposal Revision due date: June 28, 2013

*For the purpose of the example adjustment, the base market price will be the economic indicator for the four weeks immediately preceding the due date for Final Proposal Revision.

ITEM	ECONOMIC INDICATOR	PUBLISHER/ PUBLICATION/ FREQUENCY PUBLISHED	BASE MARKET PRICE PERIOD	ADJUSTING MARKET PRICE PERIOD
Chicken Breast Filets	Breasts. B/S, Georgia FOB Dock, Final Wtd. Avg. Price	USDA/Broiler Market News Report/Final Wtd. Avg. Prices are Reported on Mondays*	4 week weighted average price for end of period preceding adjustment period	3 months immediately preceding the date of adjustment

The arithmetic average of the prices listed in the United States Department of Agriculture (USDA) Broiler Market New Report for Chicken Breasts – B/S (Boneless/Skinless) during the four (4) week period immediately preceding the due date for Final Proposal Revisions will be used to calculate the base market price for the Chicken Breasts – B/S

Base Market Price calculation

*Note 1: The numbers used in the following example are hypothetical and are being utilized for illustration purposes only for how the price adjustments will be calculated pursuant to this clause.

*Note 2: The prices reported in the USDA/Broiler Market News are reported in cents per LB. To convert the prices in Dollars per LB, divide by 100. For the purpose of this example and the EPA price adjustment calculations, the prices shall be shown in Dollars per LB.

Date	Price in Dollars per LB
24 June 2013	$1.7850
17 June 2013	$1.7500
10 June 2013	$1.8150
03 June 2013	$1.8400
Total Four Weeks	$7.1900
Total/4 = Arithmetic average	$1.7975

*Note 3: For some four (4) week periods, the USDA may publish fewer than four (4) issues of the summary due to events such as Federal Holidays. In all such cases, only those issues published for the relevant four week period will be used in the calculations.

Base award date: August 30, 2013 Base Unit Price: $2.39

*Note 4: For the purpose of this example, the initial offered prices will be fixed for three months (August 30, 2013 – November 30, 2013), which would be the first adjustment period following contract award. For this example, the effective modification date for the second adjustment period is November 30, 2013.
The arithmetic average of the prices listed in the United States Department of Agriculture (USDA) Broiler Market New Report for Chicken Breasts – B/S (Boneless/Skinless) during the 3 month period (approximately 13 weekly reports) immediately preceding the effective date of the modification (i.e. November 30, 2013) will be used to calculate the first adjustment period for the Chicken Breasts – B/S Adjusted Market Price calculation

Date	Price in Dollars per LB
25 November 2013	$1.5200
18 November 2013	$1.5500
11 November 2013	$1.5900
04 November 2013	$1.6350
28 October 2013	$1.6700
21 October 2013	$1.7950
14 October 2013	$1.8650
07 October 2013	$2.0300
30 September 2013	$2.0350
23 September 2013	$2.0600
16 September 2013	$2.0750
09 September 2013	$1.9850
02 September 2013	$1.9000
Total 13 Weeks	$23.7100
Total/13 = Arithmetic average	$1.8238

1. Calculate the Adjusting Market Price and the Base Market Price. From the example above:
Base Market Price = $1.7975 and Adjusting Market Price = $1.8238 (Round to four decimal places)
2. Calculate Market Price Change (+/-):
Adjusting Market Price – Base Market Price = $1.8238 -$1.7975 = $0.03 (Round to two decimal places)
3. Calculate Adjusted Unit Price: Base Unit Price (+/-) Market Price Change
*Note: Since this is an example of the first price adjustment under this clause, the base unit price would be the price as awarded.
$2.39 + $.03 = $2.42
(h) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price. All order pricing will be the contract price in effect at the time the order is placed. No price adjustment under this clause will take effect unless and until a formal modification adjusting the price is made.

(i) Any pricing actions pursuant to the Changes Clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.

(j) *Upward ceiling on economic price adjustment*. The total increase in any contract unit price during and at the end of all adjustment periods to which a particular base unit price is applicable shall not exceed *Contracting Officer shall insert percentage* of that base unit price agreed to at time of award. There is no percentage limit on downward adjustments under this clause.

(k) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the adjustment ceiling for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(l) If an increase in the price index would raise a contract unit price for an item above the current ceiling, the Contracting Officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(m) *Revision of market price indicator*. In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that a particular market price indicator consistently and substantially no longer reflects market conditions, the parties shall mutually agree upon an appropriate and comparable substitute, and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(n) *Disputes*. If the parties fail to agree on an appropriate substitute market price indicator or implementation of other matters addressed by this EPA clause, then the matter shall be resolved in accordance with the Disputes clause of the contract.

(o) *Examination of records*. The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of the clause.

(p) In the event any applicable market price indicator is not published for any week, quarter, month, etc., that week, quarter, month, etc., will not be included in calculating the Base Market Price or the Adjusting Market Price, as applicable. For instance, if within a three-month period an indicator was expected to be published 13 times (1 time per week) but was not published 2 times, the average of the 11 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

(End of clause)

52.216-9085, Economic Price Adjustment -- DLA Multiple Award Schedule Contracts.
As prescribed in 16.203-4(a)(1)(S-92), insert the following clause:

ECONOMIC PRICE ADJUSTMENT -- DLA MULTIPLE AWARD SCHEDULE CONTRACTS
(OCT 2015)

(a) The Contractor warrants that the unit price stated in the Schedule for _____ [*Offeror insert catalog part number(s) or state "all line items"*] is not in excess of the Contractor's applicable established price, proposed as the basis for the contract award, in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that --

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the Contractor.

(3) The Contractor shall identify the standard trade discount as follows: [*The Contracting Officer is to check a box to indicate whether paragraph (a)(3)(i) or (a)(3)(ii) applies.*]

(i) ☐ The standard trade discount offered is _____. [*Offeror insert discount percentage*] The contractor may offer increased discounts, either temporary or permanent, during the contract ordering period.

(ii) ☐ The standard trade discount including offered discount shall be provided in accordance with _____. [*The Contracting Officer shall insert the applicable clause(s), provision(s), or reference(s) within the solicitation.*]

(b) The Contractor shall promptly notify the Contracting Officer of the amount and effective date of each decrease in any established price that was used as the basis for the contract award. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items ordered after the effective date of the decrease in the Contractor's established price and the online catalog price is modified by the contracting officer.

(c) If the Contractor's applicable established price that was used as the basis for the contract award is increased after the contract date, the corresponding contract unit price shall be increased, upon the Contractor's written request to the Contracting Officer, by the same or if requested by the Contractor a lower percentage, that the established price is increased and the online catalog price is modified by the contracting officer, subject to the following limitations:

(1) All prices shall be fixed for the initial 12-month period of the contract, unless otherwise specified at the time of award.

(2) No more than three requests for price increases per Schedule will be considered during each succeeding 12-month period of the contract.

(3) The aggregate of the increases during any 12-month period in any contract unit price under this clause shall not exceed ___ percent of the contract unit price in effect at the end of the preceding 12-month period. The Government may unilaterally change this limitation when market conditions during the contract period support such a change.

(4) An increase in a contract unit price shall not be executed and the online catalog shall not be modified under this paragraph (c) until the Contracting Officer verifies the reasonableness of the increase in the applicable established price. The increase shall apply to those items ordered after the effective date of the decrease in the Contractor's established price and the online catalog price is modified by the contracting officer.

(5) The Contractor will submit for all price increases/decreases.

(i) The commercial catalog/price list with the price change and the effective date for general public.

(ii) Additional information as requested by the Contracting Officer to support the price increase or decrease.

(End of Clause)

52.217-9003 Manufacturing or Production Information.

As prescribed in 17.7302(f), a provision substantially as follows shall be inserted in negotiated solicitations:

MANUFACTURING OR PRODUCTION INFORMATION (NOV 2011)

If offers are submitted which fail to provide the actual manufacturing/production source(s) for the item(s) offered, or, if such information is provided but restricted from disclosure (by the inclusion of the Federal Acquisition Regulation (FAR) clause 52.215-12 legend or any other proprietary or confidentiality restriction) such offers may be rejected as technically unacceptable. This provision does not apply to commercial items.

(End of Provision)

52.217-9006 Surge and Sustainment (S&S) Requirements.
As prescribed in 17.9304(a), insert the following clause.

SURGE AND SUSTAINMENT (S&S) REQUIREMENTS (NOV 2011)

This solicitation includes items that are critical to support the Department of Defense's ability to conduct contingency operations. These items are designated as the S&S requirements, including the Services' go-to-war requirements. S&S requirements are identified in the schedule of supplies as monthly wartime rate (MWR) or D1-D6 schedule in the solicitation, and are in addition to peacetime quantities. The objective of this requirement is to obtain contractual coverage to meet the S&S quantities and sustainable accelerated delivery specified in this solicitation. S&S coverage includes access to production capability as well as vendor owned or managed inventory/safety stocks. Offerors will be evaluated on their ability to meet the terms and conditions of the S&S requirements. S&S requirements are defined as follows:

(a) Surge and sustainment capability means the ability of the supplier to meet the increased quantity and/or accelerated delivery requirements, using production and/or supplier base capabilities, to support increased requirements with accelerated delivery, such as for Department of Defense (DOD) contingencies or emergency peacetime requirements. his capability includes both the ability to ramp-up to meet accelerated delivery and/or increased quantities (i.e., Surge), as well as to sustain an increased production and delivery pace throughout the contingency (i.e., Sustainment). The spectrum of possible contingencies ranges from major theater wars to smaller-scale military operations.

(b) S&S quantity and accelerated delivery schedule are identified on an individual item basis, based on the Services' wartime planning requirements. The surge quantities are identified by Monthly Wartime Rate (MWR) as a percentage or an exact number; however, some items may require different delivery schedule such as D1-D6 schedule. The S&S quantity and delivery requirements are above and beyond the peacetime requirements.

(c) S&S capability assessment plan (CAP), (previously referred to as the "Surge Plan"). The CAP provides the offeror's method of covering S&S requirements, identification of competing priorities for the same resources, and date the Contractor can provide the required S&S capability. If any of the S&S quantity and delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed investment strategy to offset the shortfall. For example, the CAP may include, but is not limited to, one of the following scenarios to address wartime delivery requirements:

(1) The S&S quantity and delivery requirements can be fully covered within the supplier's resources.

(2) The S&S delivery schedule can be fully covered with early deliveries due to unit pack shipping (e.g., S&S quantity and delivery requirements is for 10 feet of wire every 30 days, and the wire is sold to the government in 100 foot rolls. A single delivery of one roll in the first 30 days would meet the requirement for ten 30-day delivery periods).

(3) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and the supplier has no cost-effective investment strategy that would improve the capability to deliver according to the quantity and delivery requirements (e.g., the schedule calls for 20 o-ring seals each 30-

day period, but the vendor needs a 30 day ramp-up and could deliver 40 in the second period and 20 each delivery period thereafter).

(4) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and includes an investment strategy that would improve the supplier's capability to deliver according to the MWR or D1-D6 (e.g., the schedule calls for 20 seals each 30-day period, and the vendor can meet the schedule starting in the third ordering period but needs a Government investment to be capable of meeting deliveries in the first two months).

(5) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a fraction of the total quantities specified); however, the supplier has no cost-effective investment strategy that would improve the capability to deliver at the MWR or D1-D6.

(6) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a portion of the MWR or D1-D6 quantities specified), and includes an investment strategy that would improve the supplier's capability to deliver at the MWR or D1-D6.

(7) The S&S quantity and delivery requirements cannot be met with existing resources, and there is no cost effective solution to improve the industrial capability to deliver at the MWR or D1-D6.

(d) Stock rotation plan. The CAP must include a stock rotation plan for Government or supplier S&S investments (e.g., lead-time materials that are purchased using Warstopper funding) to ensure the newest materials are available for production. The stock rotation plan must not preclude the supplier from making the surge deliveries.

(e) Exit strategy. The CAP must include a proposed exit strategy describing how to transition and ramp-down S&S assets and/or Government investment. The exit strategy must be designed to conserve protected S&S resources when (1) the contract expires, (2) a follow-on contract transitions to another supplier and/or (3) the requirement is reduced or eliminated by the requiring customer(s). The exit strategy must consider peacetime demand patterns, production run levels, normal lead-times for raw materials used in the production process, and other relevant factors, and address least cost/best-value alternatives that minimize the risk of unused raw materials or the untimely disposition of other serviceable S&S assets before the contract expires.

(f) overnment investments. Use of Government investment may be considered to address S&S coverage shortfalls as specified under (c)(3) to (7) above when it is in the Government's best interest. Use of Government investment is limited per clause 52.217-9010. Contracting Officer (CO) approval is required for any Government investment request and any investment costs incurred by the supplier without the explicit written approval of the Contracting Officer are the sole responsibility of the supplier.

(g) S&S validation/test plan. In most cases, the Government will develop a validation/test plan prior to verifying the supplier's capability against the required S&S CAP and the Schedule. Upon request, the supplier shall submit a S&S validation/test plan that defines how the S&S capability can be verified when

(1) complex industrial and manufacturing processes are involved, or

(2) the supplier methodologies for gaining visibility over supplier base capabilities within an existing structure to enable a more cost effective alternative. In any case, a validation/test plan will be developed prior to any validation/testing of the supplier's S&S capability.

(h) Agreement to participate in S&S validation/testing. By submission of an offer, the supplier agrees to participate in S&S validation/testing as required by the Government to verify the S&S capability as described in the approved CAP. Validation/testing may include any methodology that can verify the supplier's S&S capability. Validations will be conducted on randomly selected items by the Industrial Specialist after contract award and may be conducted throughout the contract period. Validation includes, but is not limited to, verification that the supplier and any subcontractor(s) have sufficient equipment, facilities, personnel, stock, pre-positioned raw material, production capabilities, visibility of supplier base resources and agreements, networks and plans for distribution (receiving, storing, packaging and issuing) and transportation services to accommodate the S&S requirements in the contract. This validation

includes examination of any in-house work, review of the stock rotation plan (if applicable), and other contracts that impact the production of any added or accelerated quantities. The Government reserves the right to require validation using other methodologies when deemed appropriate by the Contracting Officer. The language in this clause does not limit the Government's right, at any time after award, to perform inspections or validate the supplier's S&S capability.

(i) Supplier notification of S&S capability changes. The supplier agrees to maintain S&S capability to produce and/or deliver the S&S quantity identified in the Schedule of Supplies in accordance with the approved CAP and S&S terms and conditions throughout the life of the contract. Changes that negatively impact S&S capability must be reported in writing to the Contracting Officer within ten (10) working days after the supplier becomes aware of such an impact. Such notification must include a revised S&S CAP with the supplier's proposed corrective action(s) and date when the supplier can attain the required S&S capability. Refer to 52.217-9007(a) for instructions on submitting changes to the CAP.

(j) Government changes, Additions and Deletions to S&S Coverage. The identification of new S&S items in the peacetime schedule or increases in quantities of items already in the S&S schedule must be done through bilateral contract modifications. Deletion of S&S requirements or decreases in quantities will be made by the Government through unilateral contract modifications. The government reserves the right to obtain S&S requirements from other sources without liability to the supplier. This language does not relieve the supplier of the responsibility to provide, in accordance with the applicable delivery schedule, non-S&S and S&S quantities agreed to in the schedule and CAP during the contingency.

(k) Early or unexpected S&S requirements. The supplier shall support S&S requirements to the maximum extent practical (1) prior to the supplier achieving full S&S capability agreed to in the Schedule and the CAP, and (2) for requirements exceeding those agreed upon in the Schedule and the CAP, if agreed to by the Contractor and not exceeding any applicable contract maximum dollar value or quantity. The Government reserves the right to obtain S&S requirements from other sources without liability to the supplier.

(l) S&S execution. The Government will issue a surge order or series of orders equaling the MWR or D1-D6 each month, when executing S&S requirement. S&S orders are in addition to any other requirements included in the contract and do not excuse the Contractor from compliance with orders for non-S&S requirements. The order limitations clause applicable to peacetime requirements does not apply to the surge quantities if it conflicts with the quantity necessary to support a contingency. The Government reserves the right to order less than the MWR or D1-D6 quantity as specified on each surge order. Multiple orders for the same NSN may be issued to support multiple contingencies. The Government reserves the right to order in excess of the MWR or D1-D6 provided the supplier accepts the order.

(1) When a surge order is issued and Government investment is used to establish the S&S capability, the supplier must use funds generated from the order to refresh or replace S&S material (e.g., inventories of lead-time materials, partially finished units, or finished product) consumed within ninety (90) days to support future S&S requirements.

(2) When a surge order is issued and <u>no</u> Government investment is used to establish the S&S capability, the supplier must replace S&S material (e.g., inventories of lead-time materials, partially finished units, or finished product) consumed within ninety (90) days to support future S&S requirements.

(m) Contract expiration or termination. The Contracting Officer will notify the supplier and exercise the approved S&S exit strategy in accordance with the terms and conditions of the contract. The exit strategy must conserve protected S&S resources when (1) the contract expires, (2) a follow-on contract transitions to another supplier and/or (3) the requirement is eliminated by the requiring customer(s). When exercising the exit strategy, the supplier must consider peacetime demand patterns, production run levels, normal lead-times for raw materials used in the production process, and other relevant factors, and

address least cost/best-value alternatives that minimize the risk of unused raw materials or the untimely disposition of other serviceable S&S assets before the contract expires.

(End of Clause)

Alternate I. Surge and Sustainment (S&S) requirements – alternate I.
As prescribed in 17.9304(a), insert the following alternate clause.

SURGE AND SUSTAINMENT (S&S) REQUIREMENTS – ALTERNATE I (NOV 2011)

This solicitation includes items that are critical to support the Department of Defense's ability to conduct contingency operations. These items are designated as the S&S requirements, including the Services' go-to-war requirements. S&S requirements are identified as "Surge Quantity Option" expressed in a percent or exact quantity in this solicitation, and are in addition to peacetime quantities. The objective of this requirement is to obtain contractual coverage to meet the S&S quantities and sustainable accelerated delivery specified in this solicitation. S&S coverage includes access to production capability as well as vendor owned or managed inventory/safety stocks. Offerors will be evaluated on their ability to meet the terms and conditions of the S&S requirements. S&S requirements are defined as follows:

(a) Surge and sustainment capability means the ability of the supplier to meet the increased quantity and/or accelerated delivery requirements, using production and/or supplier base capabilities, in support of Department of Defense (DOD) contingencies and/or emergency peacetime requirements. This capability includes both the ability to ramp-up to meet early delivery or increased requirements (i.e., Surge), as well as to sustain an increased production and delivery pace throughout the contingency (i.e., Sustainment). The spectrum of possible contingencies ranges from major theater wars to smaller-scale military operations.

(b) S&S quantity and accelerated delivery schedule are identified on an individual item basis, based on the Services wartime planning requirements. The surge quantity option is expressed as a percent or an exact number with a sustainable accelerated delivery. The S&S quantity and delivery requirements are above and beyond the peacetime requirements in the schedule of supplies.

(c) S&S capability assessment plan (CAP) (previously known as the "surge plan"). The CAP provides the offeror's method of covering the S&S quantity and delivery requirements, identification of competing priorities for the same resources, and date the Contractor can provide the required S&S capability. If any of the S&S quantity and delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed investment strategy to offset the shortfall. For example, the CAP may include, but is not limited to, one of the following scenarios to address wartime delivery requirements:

(1) The S&S quantity and delivery requirements can be fully covered within the supplier's resources.

(2) The S&S delivery schedule can be fully covered with early deliveries due to unit pack shipping.

(3) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and the supplier has no cost-effective investment strategy that would improve the capability to deliver according to the quantity and delivery requirements.

(4) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and includes an investment strategy that would improve the supplier's capability to deliver according to the surge quantity option (e.g., the surge quantity option calls for 50% of estimated annual demand quantity or an exact quantity of 20 boxes) every 10 days, and the vendor can meet the schedule starting in the third ordering period but needs Government investment to become capable of meeting deliveries in the first two months).

(5) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a fraction of the total quantities specified); however, the supplier has no cost-effective investment strategy that would improve the capability to deliver at the surge quantity option.

(6) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a portion of the surge quantity option specified), and includes an investment strategy that would improve the supplier's capability to deliver at the surge quantity option.

(d) Government Investments. Use of Government investment may be considered to address S&S coverage shortfalls as specified under (c)(3) to (7) above only when it is in the Government's best interest. Use of Government investment is limited per clause 52.217-9010. Contracting Officer (CO) approval is required for any Government investment requests and any investment costs incurred by the supplier without the explicit written approval of the Contracting Officer are the sole responsibility of the supplier.

(e) Agreement to participate in S&S validation/testing. By submission of an offer, the supplier agrees to participate in S&S validation/testing as required by the Government to verify the stated S&S capability. Testing/Validation may include any methodology that can validate the supplier's S&S capability. Validations will be conducted on randomly selected items by the Industrial Specialist after contract award and throughout the contract period. Validations include, but are not limited to, verification that the supplier and any subcontractor(s) have sufficient equipment, facilities, personnel, stock, pre-positioned raw material, production capabilities, visibility of supplier base resources and agreements, networks and plans for distribution (receiving, storing, packaging and issuing) and transportation services to accommodate the S&S requirements in the contract. This validation includes examination of any in-house work, review of the stock rotation plan (if applicable), and other contracts that impact the production of any added or accelerated quantities. The Government reserves the right to require validation using other methodologies when deemed appropriate. The language in this clause does not limit the Government's right, at any time after award, to perform inspections or validate the supplier's S&S capability.

(f) Supplier notification of S&S capability changes. The supplier agrees to maintain S&S capability to produce and/or deliver the S&S quantity identified in the Schedule of supplies in accordance with the approved CAP and S&S terms and conditions throughout the life of the contract. Changes that negatively impact S&S capability must be reported in writing to the Contracting Officer within ten (10) working days after the supplier becomes aware of such an impact. Such notification must include a revised S&S CAP with the supplier's proposed corrective action(s) and date when the supplier can attain the required S&S capability. Refer to 52.217-9007(a) for instructions on submitting changes to the CAP.

(g) Government changes, additions and deletions to S&S requirements. The identification of new S&S items in the peacetime schedule or increases in quantities of items already in the S&S schedule will be done through bilateral contract modifications. Deletion of S&S requirements or decreases in quantities will be made by the Government through unilateral contract modifications. The government reserves the right to obtain S&S requirements from other sources without liability to the supplier. This language does not relieve the supplier of the responsibility to provide, in accordance with the applicable delivery schedule, non-S&S and S&S quantities agreed to in the Schedule and CAP during the contingency.

(h) Early or unexpected S&S requirements. The supplier shall support S&S requirements to the maximum extent practical (1) prior to the supplier achieving full S&S capability agreed to in the Schedule and the CAP, and (2) for requirements exceeding those agreed upon in the Schedule and the CAP, if agreed to by the Contractor and not exceeding any applicable contract maximum dollar value or quantity. The Government reserves the right to obtain S&S requirements from other sources without liability to the supplier.

(End of Clause)

52.217-9007 Surge and Sustainment (S&S) Instructions to Offerors.
As prescribed in 17.9304(b), insert the following clause.

SURGE AND SUSTAINMENT (S&S) INSTRUCTIONS TO OFFERORS (JUN 2012)

The offeror must provide a detailed approach for covering S&S requirements in the capability assessment plan (CAP) and, if required, a validation/test plan.

(a) CAP:

Offerors must submit a CAP that describes the method and capability to meet the surge requirements identified as monthly wartime rate (MWR) or D1-D6 in the solicitation. (See 17.9301.) The CAP must also include the supplier's investment plan, stock rotation plan, and a proposed exit strategy to support the S&S requirement.

Offerors shall complete the electronic CAP (eCAP) online using the worldwide web industrial capabilities program (WICAP) website at https://wicap.hq.dla.mil/wicap/. Offerors shall print a copy of the CAP summary and submit it as part of the proposal. Any changes to the CAP before solicitation closing date or after contract award must be done using the website identified above. Instructions, examples and points of contact for the CAP are available on the website. The following are exceptions to the instruction to use eCAP:

(1) For subsistence, use the industrial capability questionnaire tool through the support planning integrated data enterprise readiness system[(SPIDERS) website at https://spiders.dla.mil/.

(2) For medical items, use the industrial preparedness system (IPSYS) industrial capability survey tool through the DLA Troop Support DMMonline Directorate of Medical Materiel, single sign-on application website at https://www.medical.dla.mil/registration/consent/default.aspx.

(b) Validation/test plan:

Offerors shall submit a validation/test plan upon Government request. The plan must address the most cost effective way and best industry practices for evaluating the stated capability. If required, any cost associated with performing a validation/test including test plan development, testing, and testing report) will be separately priced. When possible, use statistical methods based on simulations, limited production runs, or other methods that do not require full production of the S&S requirements to conduct the validation/test. The following must be included in the validation/test plan: methodology, rating criteria (e.g., how offeror determines the stated coverage in the CAP), labor cost, material cost, and time required to conduct validation/test.

(End of Clause)

Alternate I. Surge and Sustainment (S&S) Instructions to Offerors – Alternate I.

As prescribed in 17.9304(b), insert the following alternate clause.

SURGE AND SUSTAINMENT (S&S) INSTRUCTIONS TO OFFERORS – ALTERNATE I (NOV 2011)

(a) Offerors shall provide a detailed approach for covering S&S requirements in the capability assessment plan (CAP) and, if required, a validation/test plan.

(b) CAP.

(1) Offerors shall submit a CAP that describes the method and capability to meet the surge requirements identified in the solicitation. The CAP must also include the supplier's investment plan, stock rotation plan, and all other information in Section ____ of the solicitation.

(2) Offeror must complete and print the CAP summary for submittal as part of the proposal or the offer. Additionally, any attachments cited in the CAP must be submitted as part of the offer.

(End of Clause)

52.217-9008 Surge and Sustainment (S&S) Evaluation.

As prescribed in 17.9304(c), insert the following clause.

SURGE AND SUSTAINMENT (S&S) EVALUATION (NOV 2011)

Surge and sustainment capability is a requirement in this solicitation. The S&S evaluation will be based on the capability assessment plan (CAP), test/validation plan (if required), surge costs/prices, and S&S performance history (see (c) below). The offeror's proposal may be deemed unacceptable for failure to submit the required S&S information in accordance with the solicitation. The Government reserves the right to require additional information if necessary. S&S will be evaluated as follows:

(a) CAP evaluation. The offeror's CAP will be reviewed and assessed for responsiveness, completeness, technical merit, and S&S performance history (see (c) below). The CAP must demonstrate the offeror's ability to provide the full S&S quantity and delivery requirements as specified in the solicitation; the technical merits of the proposed solutions to any identified shortfalls in S&S quantity and delivery requirements; and the ability to achieve these without Government investment.

(b) Validation/test plan (if required) evaluation. The offeror's validation/test plan will be evaluated to determine the extent to which the plan accurately measures the stated capability in the offeror's CAP. If the offeror requests Government investment to conduct the test, the Contracting Officer will make a unilateral determination to whether Government investment will be provided and, if it is, which phase(s) of the S&S capability testing will be funded (e.g., test plan development, testing and/or test plan report).

(c) S&S performance history evaluation. The quality and extent of the offeror's historical surge support performance will be considered in the evaluation. In the absence of or in addition to historical S&S capability support, the Contracting Officer may consider other relevant performance history where the offeror demonstrated the ability to quickly respond to and sustain higher than normal production rates or faster than normal delivery requirements, or both. This aspect of the offeror's past performance will not be considered in the evaluation of the past performance evaluation factor in this solicitation.

(End of Clause)

Alternate I. Surge and Sustainment (S&S) Evaluation – Alternate I.

As prescribed in 17.9304(c), insert the following alternate clause.

SURGE AND SUSTAINMENT (S&S) EVALUATION – ALTERNATE I (NOV 2011)

Surge and sustainment capability is a requirement in this solicitation. The S&S evaluation will be based on the capability assessment plan (CAP) and the quality and extent of the offeror's S&S past performance. The offeror's proposal may be deemed unacceptable for failure to submit the required S&S information in accordance with the solicitation. The Government reserves the right to require additional information if necessary. S&S will be evaluated as follows:

(a) CAP evaluation. The offeror's CAP will be reviewed and assessed for responsiveness, completeness, technical merit, and S&S past performance. The CAP must demonstrate the offeror's ability to provide the full S&S quantity and delivery requirements as specified in the solicitation; the technical merits of the proposed solutions to any identified shortfalls in S&S quantity and delivery requirements; and the ability to achieve these without Government investment.

(b) S&S Performance History Evaluation. The quality and extent of the offeror's previous S&S performance will be considered in the evaluation. In the absence of or in addition to DLA S&S past performance, the Contracting Officer may consider other relevant performance history where the offeror demonstrated the ability to quickly respond to and sustain higher than normal production rates or faster than normal delivery requirements, or both. This aspect of the offeror's past performance will not be considered in the evaluation of the past performance evaluation factor in this solicitation.

(End of Clause)

52.217-9009 Surge and Sustainment (S&S) Pricing.

As prescribed in 17.9304(d), insert the following clause.

SURGE AND SUSTAINMENT (S&S) PRICING (NOV 2011)

(a) When pricing S&S items, the offeror will use a six-month period for the purpose of providing the offered prices for S&S requirements. However, the concept of S&S requires the offeror to surge to a delivery rate and sustain that rate throughout contingency operations that may last longer than six months or when the S&S item has a lead-time greater than six months.

(b) The offeror's proposed S&S prices will be evaluated for price reasonableness and cost realism in accordance with Federal Acquisition Regulation (FAR) 15.404-1 and 15.403. If proposed surge prices are higher than the peacetime prices, the Government reserves the right to request information other than cost or pricing data, or, if applicable, certified cost or pricing data to determine price reasonableness and cost realism. A breakdown of the costs attributable specifically to surge may be requested. Information supporting offered surge prices must include sufficient description explaining the causes of the price difference. The information shall be provided as a separate attachment to the proposal and may be submitted in the offeror's own format unless the Contracting Officer requires a specific format described in the solicitation.

(c) In accordance with FAR 15.403-4, the Truth in Negotiation Act (TINA) threshold includes S&S prices. If TINA is applicable, the Contracting Officer must obtain a certified cost or pricing data if none of the exceptions in 15.403-1(b) applies. If the S&S pricing exceeds the peacetime pricing, the additional information referred to in paragraph d. below is subject to certification, as applicable, in accordance with FAR 15.406-2.

(d) he offeror should provide a proposal that contains the offeror's best terms from a price and technical standpoint. When S&S pricing exceeds peacetime pricing, the offeror's proposal must identify the additional costs, if any, for supporting S&S requirements that are above the costs associated with peacetime buys, such as premium pay for overtime and/or additional shift, cost of expedited delivery of materials from sub-tier suppliers, minimum purchase quantities from sub-tier suppliers, the cost of reserving the production capacity and maintaining extra inventory, raw materials, or components to meet the S&S requirements.

(End of Clause)

52.217-9010 Limitations on Use of Surge and Sustainment (S&S) Government Investment.
As prescribed in 17.9304(e), insert the following clause.

LIMITATIONS ON USE OF SURGE AND SUSTAINMENT (S&S) GOVERNMENT INVESTMENT (NOV 2011)

(a) The capability assessment plan (CAP) must include the offeror's investment strategy in accordance with 52.217-9006. In the event the S&S requirement cannot be met with the supplier's resources and there is no cost effective solution to improve the industrial base capability, limited Government investment may be considered, if it is in the best interest of the Government. The supplier shall not incur any expenses before receiving written approval of Government investment from the Contracting Officer, and acts at its own risk in advance of such approval. Any Government investment will only be used for obtaining S&S coverage in accordance with the terms and conditions of the contract. In the event of changes in conditions (e.g. manufacturing, labor market, industry, technology, etc.) that warrant a different investment approach to obtaining the S&S coverage, the supplier shall notify the Contracting Officer immediately upon knowledge of the change and shall submit, within 30 days thereafter, a new capability assessment plan describing the revised strategy for Contracting Officer's approval. If the initial investment has not been made or completed, the supplier will suspend S&S investment until receipt of written approval from the Contracting Officer.

(b) The Contractor shall not use Government S&S investments for any purpose other than to support S&S delivery orders, unless such use has been authorized by the Contracting Officer in writing. The Contractor shall submit in writing to the Contracting Officer any desired use of the S&S investments and consideration offered to the Government for this use.

(c) The supplier's stock rotation plan must ensure that newest materials are available for production and no material is held beyond its shelf-life expiration date, and use of Government investments (e.g., lead-time materials) is only authorized to support S&S delivery orders. A stock rotation plan must be included as part of the supplier's CAP and shall not preclude the supplier from making the surge deliveries.

(End of Clause)

52.217-9011 Provisioning.

As prescribed in 17.7601-92(a), insert the following clause:

PROVISIONING (DEC 2011)

(a) The Government hereby

[ ] (Contracting officer fill-in) will require

[ ] (Contracting officer fill-in) reserves the right to require provisioning for the end item specified herein in accordance with the requirements of Military Standard 1552, Provisioning Technical Documentation, Uniform Department of Defense (DoD) Requirements For, and Military Standard 1561, Provisioning Procedures, Uniform DoD, _____ (enter date of current issue in effect on date of contract award or on date of Solicitations). Such provisioning will include: Furnishing of technical documentation necessary to identify and determine the range and quantity of support items that may be required as spares, repair parts, special tools, and test equipment (Support Items) as set forth in paragraph (b) below; furnishing of supplementary provisioning technical documentation, as required; participation in any provisioning conference(s) deemed necessary; and the furnishing of support items in the range and quantity required for adequate end item (equipment) support.

(b) Provisioning technical documentation.

Provisioning technical documentation to be delivered to the Government will be specified on Department of Defense (DD) Form 1949-2, Provisioning Requirements Statement, DD Form 1949-1, Provisioning Technical Documentation Data Selection Sheet and DD Form 1423, Contract Data Requirements List (CDRL). If provided in the solicitation, prices for all provisioning requirements specified on the DD Forms 1949-1, 1949-2, and 1423 should be submitted to the Contracting Officer with the offer and will be included in offer evaluation.

If it is determined after contract award that provisioning is required, DD Form 1949-2, Provisioning Requirements Statement, DD Form 1949-1, Provisioning Technical Documentation Data Selection Sheet and DD Form 1423, Contract Data Requirements List, will be furnished to the Contractor. The Contractor will have 30 days after receipt of the notice of the proposed modification to return a priced proposal. The final price and delivery applicable to such documentation will be subject to negotiation between the parties.

In addition to the priced proposal indicated above, the Contractor may also submit with the proposal a statement of prior submission, as defined in Military Standard 1561, paragraph 5.3.11.1. Statement of Prior Submission information shall be furnished on DLA procurement clause, Waiver/Reduction of Provisioning Technical Documentation and Supplementary Provisioning Technical Documentation Requirements.

(c) Supplementary provisioning technical documentation.

If the Contracting Officer requires certain supplementary documentation at the time a solicitation is issued (for items on the various lists as indicated in Military Standard 1561, paragraph 5.3.8.), then this amount

and the nature of the documentation required to be delivered to and retained by the Government will be specified on DD Form 1423, CDRL. Prices for all provisioning requirements specified on DD Form 1423 should be submitted to the Contracting Officer with the offer and will be included in the offer evaluation. Additional documentation such as Federal item identifications per Military Standard 1561, paragraph 5.3.9, may be ordered at any time prior to final delivery of end items under the contract.

If, after contract award, the Contracting Officer requires certain supplementary documentation for items on the various lists in addition to that required by Military Standard 1561, paragraph 5.3.8. such as Federal Item Identifications, the Contracting Officer will issue a notice of such requirement indicating the amount and nature of the documentation required. The Contractor will have 30 days after receipt of the notice of the proposed modification to return a priced proposal. The final price and delivery applicable thereto will be the subject of negotiation between the parties.

(d) Provisioning conferences.

The Provisioning Requirements Statement, DD Form 1949-2, will advise the Contractor of requirements for provisioning conference(s) provided for in Military Standard 1561. If a decision is reached that such a conference(s) is required, the Contracting Officer will so advise the Contractor. Upon such notification, the Contractor will provide competent personnel, adequate facilities, if requested, and all available pertinent technical information. The Contractor will promptly advise the Contracting Officer of any contemplated increase in costs because of the conference(s) requirement. The time and place of the conference(s) and any equitable adjustment to the contract price will be subject to negotiation between the parties.

(e) Support Items.

As a result of the above actions, the Contracting Officer may, from time to time, issue provisioned item orders for spares, repair parts, tools, and test equipment or components (support items) being purchased under the contract for an initial period of operation. Such order or orders which will be placed prior to final payment under the contract may provide for deliveries concurrently with or subsequent to delivery of the equipment.

If concurrent delivery is required and such delivery necessitates a delay in delivery of the end items or components, an adjustment in the delivery requirements will be considered. Within 60 days after receipt of the provisioned item order, the Contractor will submit firm prices for the items ordered. The final prices will be subject to negotiation between the parties.

Unless otherwise specified, these prices will include the cost of preparation for delivery (preservation, packaging, packing, and container marking) in accordance with Level A packaging of Military Standard 794, Level A packing for overseas destination and Level B packing for contiguous United States (CONUS) destination.

If the parties are unable to agree under paragraphs (b), (c), (d) and (e) of this clause as to price and/or as to time of performance, the Contracting Officer will unilaterally determine price and/or time of performance. This unilateral determination is subject to the terms of the “Disputes” clause of this contract.

(End of Clause)

52.217-9012 Warstopper Program Material Buffer Availability.

As prescribed in 17.9305, insert the following clause:

WARSTOPPER PROGRAM MATERIAL BUFFER AVAILABILITY (MAY 2013)

(a) General. The Warstopper program material buffer (“Buffer”) was created to decrease lead times for defense contracts relating to military systems with a wartime requirement. A buffer requirement is established by the Contracting Officer, when a supply contract is awarded, to fulfill a need for warstopper raw material. A list of available buffer material can be found at https://wicap.hq.dla.mil/buffers. If the

buffer material is not available or the material is inadequate to complete the requirement, the Contractor shall contact the Contracting Officer Representative (COR) for guidance. Intervention by the Government may occur to prioritize wartime requirements at the discretion of the COR or for additional reasons, but by exception. When a buffer has been established, the following process shall be used to submit requests for buffer material. A valid request by defense Contractors to use the material buffers includes the following:

(1) A defense Contractor or sub-tier Contractor supporting a prime defense Contractor with a current, active defense contract with the U.S. Government;

(2) A contract directly between the defense Contractor and a material supplier listed on the buffer website (https://wicap.hq.dla.mil/buffers);

(3) The following information must be provided:

(i) Requestor's name,

(ii) U.S. Government contract number,

(iii) Defense Priorities and Allocations System (DPAS) rating,

(iv) Material specification,

(v) Quantity required, and

(vi) Required delivery date.

(b) The material supplier provides material from the buffer upon a valid request and notifies the COR in monthly reporting. When requests exceed the buffer's maximum monthly material availability, the material supplier may negotiate phased delivery of material across the material monthly availability; or the Government COR may prioritize the release of the material at the Government's discretion.

(c) Businesses accessing the buffer (manufacturers) are entitled to their contracted pricing with the material supplier if such an arrangement is established or standard (not spot market) pricing if prior arrangements have not been established. Businesses using the buffer are solely responsible for costs of using the buffer, and the Government has no liability either for these costs or for delays or other effects arising from the use of the buffer.

(d) The buffer material provided is not Government-furnished material, but is rather a normal vendor-to-vendor transaction with all applicable warranties and guarantees provided through the commercial transaction.

(e) The current material Buffer suppliers and materials may be reviewed at https://wicap.hq.dla.mil/buffers.

(End of Clause)

52.217-9017 Tailored Logistics Support Purchasing Reviews.
As prescribed in 17.9508(a), insert the provision/clause in solicitations/contracts.

TAILORED LOGISTICS SUPPORT PURCHASING REVIEWS (NOV 2011)

(a) From the commencement of performance of this contract until 3 years after the final contract payment, the Contractor shall allow the Contracting Officer, Administrative Contracting Officer, Defense Contract Management Agency (DCMA), Defense Contract Audit Agency (DCAA), and any other duly authorized representative of the Contracting Officer access to all records and information pertaining to those items or services for which the Government is relying on the Contractor's purchasing system to determine that competition was obtained or to justify that prices are fair and reasonable. The Contractor shall maintain records subject to this clause for not less than 3 years after the contract final payment.

(b) The Contracting Officer may conduct reviews of purchased items or services provided under this contract regardless of dollar value that meet the criteria in paragraph 1 of this clause to ascertain whether the Contractor has obtained the best value. The Contractor shall seek competition to the maximum extent

practicable for all purchases. Contractor purchases of any supplies or services shall solicit a competitive quotation from at least two independently-competing firms. For other than sole source items, the request for quotations shall, to the extent practical, solicit offers from different manufacturers or producers. If the Contractor is unable to obtain quotes for competing items from two or more such independently-competing firms, the Contractor shall retain supporting documentation for its rationale for selection of the suppliers solicited and chosen to supply the items, and for its determination that the price was fair and reasonable. The Contractor is responsible for maintaining this same documentation for all sole source/non-competitive actions. The following price reasonableness and documentation requirements are applicable to all purchases, regardless of dollar value:

(1) A price is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. The Contracting Officer will examine the prices with particular care in connection with buys that may not be subject to effective competition restraints. The Contractor's price will not be presumed to be reasonable. If an initial review of the facts results in a challenge of a specific price by the Contracting Officer or the Contracting Officer's representative, the burden of proof shall be upon the Contractor to establish that the price is reasonable under the standards in Federal Acquisition Regulation (FAR) Subpart 15.4 and FAR 31.201-3.

(2) The Contractor shall keep the documentation to a minimum, but shall retain data supporting the purchases either by paper or electronically. At a minimum, price quotations and invoices shall be retained. Should the Contractor receive an oral price quotation, the Contractor shall document who the supplier or subcontractor is by complete name, address, telephone number, price, terms and other conditions quoted by each vendor. Price quotes for supplies shall be broken down by individual items, shipping costs, and any other included expenses. Price quotes for incidental services which are not pre-priced in the contract shall include labor hours and costs or prices, as applicable, including the total price of the job, individual pricing for the portions of the work if applicable, materials, and all other elements of cost, overhead, and profit. This price breakdown documentation shall be made for each subcontractor performing work on this contract.

(c) When the Contractor is purchasing from subcontractors or other sources and receives a discount or rebates, the Contractor shall immediately pass these savings to the Government in the contract price and invoice for payment. The Contractor is required to use diligence in the selection of the most economical method of delivery of the product or services by selecting a best value method of delivery based on the urgency and nature of the work or product required. When labor hours are involved in the work to be accomplished and the Contractor has not already pre-priced the effort to use its own labor force, the Contractor shall provide the labor at rates required by the contract (for example, Service Contract Act or Davis-Bacon Act rates) or at rates based on competition if mandatory rates are not required by the contract.

(d) If the Contracting Officer determines that the purchased product or service is unreasonably priced, the Contractor shall refund to the Government the amount the Contracting Officer determines is in excess of a reasonable price. The Contracting Officer shall notify the Contractor in writing in accordance with FAR 32.610, giving the basis for the determination and the amount to be refunded. The Contractor shall make the refund payment in accordance with directions from the Contracting Officer, and shall provide proof of the refund payment to the Contracting Officer. The Contracting Officer may collect the amount due using all available means in accordance with FAR Subpart 32.6. FAR 52.232-17, Interest, is applicable to payments not made within 30 days of the demand for payment. Any disputes arising under this provision shall be handled in accordance with the "Disputes" clause of this contract.

(e) At the midpoint of each performance period if the period is a year or less long or annually if the performance period is more than a year, upon receipt of notification from the Contracting Officer of the intent to exercise an option, or if otherwise requested, the Contractor shall provide the Contracting Officer an affirmation in the following form, signed by an authorized representative of the Contractor:

"To the best of my knowledge and belief, during the period beginning _____ (insert date) and ending_____(insert date), _____(insert Contractor's name) furnished all supplies or services called for by Contract number _____ in accordance with all applicable requirements. I further affirm that the supplies or services are of the quality specified and conform in all respects with the contract requirements, including specifications, drawings, preservation, packaging, packing, marking requirements, and item identification, and are in the quantity required. The items and services were competed or prices are justified as fair and reasonable in accordance with the requirements of _____(name/number of the clause)."

(End of Clause)

52.217-9018 Supply Assurance Through Multisource Contracting.
As prescribed in 17.9004, insert the following provision:

SUPPLY ASSURANCE THROUGH MULTISOURCE CONTRACTING (NOV 2011)

(a) The Government reserves the right to make multiple awards to assure the availability of supplies when first article testing is required, if the Contracting Officer determines that the item(s) to be procured is (are) not available in the marketplace for immediate delivery. In such cases, it may be in the Government's best interests to increase the likelihood of supply availability by making awards to both an unproven and a proven source of supply for this item, or by making awards to more than one unproven source of supply, if there are no sources currently waived for the first article test requirement. A proven source is defined as a currently waived for the first article test requirement source that meets the criteria for first article waiver.

(b) When a multisource award basis exists, the Contracting Officer will award the larger portion of the total requirement to the offeror that represents the best value to the Government based on the evaluation scheme included in the solicitation.

(1) If awards will be made to a proven source as well as an unproven source, the source that represents the best value to the Government shall receive not less than 60% of the total requirement.

(2) If awards will be made to two unproven sources, the source that represents the best value to the Government shall receive not less than 60% of the total requirement.

(c) Unless an offeror otherwise qualifies its offer, unit prices submitted for the total requirement will apply to any partial awards.

(d) In the event that an unproven source fails to complete first article testing requirements, the Government may increase the quantity of supplies called for in the schedule of this contract to the proven source (one that has successfully met first article requirements), at the unit prices specified, up to and including 100% of the quantity awarded to the unproven source. This option is separate and distinct from any other option provision included in this contract.

(End of Provision)

52.217-9020 Corporate Contract Fill Rate and Unfilled Orders.
As prescribed in 17.9700(a), insert the following clause:

CORPORATE CONTRACT FILL RATE AND UNFILLED ORDERS (AUG 2008)

(a) Definitions. As used in this Clause:

(1) "Fill rate" means the percentage of the total quantity of the items ordered which are shipped within ____ days of receipt of order. For example, if ten orders of ten each are received and eight shipments of 10 each and one shipment of five each are made in response to nine of the orders, a fill rate of 85% has

been obtained. The fill rate achieved during each semiannual period will be used to set the authorized markup for the following period.

(2) "Receipt of the order" means the date on which the electronic transmission of the requisition/delivery order is made from the supply chain to the Contractor. Requisitions will be issued for DLA owned stock. Delivery orders will be issued for new material.

(3) "Shipment" means the date on which the item is delivered by the Contractor to the designated carrier.

(b) The Contractor agrees to provide a fill rate of ____% for the items included on this contract. If the agreed upon fill rate of ____% is achieved the markup to the contract price which the Contractor is authorized to charge is _%. If a fill rate lower than ____% but greater than or equal to ____ is realized, the authorized markup is reduced to ____%. If a fill rate less than ____ but greater than or equal to ____ is realized, the authorized markup is reduced to ____%. A fill rate of less than ____% is determined to be an unacceptable level of performance. If the calculated fill rate is less than ____% for two successive contract periods, the Government may terminate the contract for default; however, if the contract is not terminated, the authorized markup for a fill rate less than ____% is reduced to ____%.

(c) Items for which orders are received in the first 6 month period that cannot be filled for any of the following reasons will not be used in the fill rate calculation:

(1) If no Government stock is transferred and the lead time to obtain stock is greater than the time between the inclusion of the item on the contract (i.e. contract award or contract modification) and the time in which the item would normally be included in the fill rate calculation for the next contract period, then the item will not be used in the fill rate calculation.

(2) If the Government due in is not received by the Contractor, then the item will not be used in the fill rate calculation.

(3) If the Contractor receives order(s) for quantities greater than the Government-provided annual demand estimate, then the item will not be used in the fill rate calculation.

(d) The fill rate will be calculated semiannually on a cumulative basis for all orders received in the semiannual contract period. In order to avoid administrative difficulties, the period of time used to calculate the fill rate and the period of time to which a particular authorized markup applies will not coincide. The Contractor will calculate the fill rate for the preceding six months when the tenth month of the contract is completed. The calculated fill rate and the date on which this calculation is based will be provided to the DPRO and the supply chain within 30 days after completion of the tenth month and after the completion of each subsequent six month period for confirmation and concurrence of fill rate.

(e) The percentage of on time shipments will be calculated on a semiannual basis. For purposes of this clause only, dates will be calculated starting with the first complete day after receipt of the order. For example, if the order is received at 4:00 p.m. on Monday, shipment at any time during Tuesday will be counted as shipping on the first day. For purposes of this clause only, months will be calculated starting with the first complete calendar month after the beginning of the contract. For example, if the contract is issued on Aug 12, 2007, the first month is September, 2007. Complete records of the fill rate will be maintained by the Contractor and made available for Government inspection.

(f) The Government will prepare a modification to the contract adjusting the authorized markup as needed effective the beginning of the thirteenth month of the contract (or other definitive period). The subsequent periods for fill rate calculation and authorized markup adjustment will be every semiannual period. The authorized markup for the initial twelve month contract period is ____%.

(g) A backorder is defined as a requirement for an item which cannot be filled within ___ days of receipt of order. he Contractor agrees to ship ___% of all backordered items within 90 days of receipt of the order. Receipt of the order is defined as the date on which the electronic transmission of the requirement is made from the supply chain to the Contractor. Shipment is defined as the date on which the item is

delivered by the Contractor to the designated carrier. The percentage of backorders filled on time will be calculated on a semiannual basis concurrent with the fill rate calculations.

(End of Clause)

52.217-9023 Restriction of Alternate Offers for Source Controlled Items.
As prescribed in 17.7502(b)(2)(S-90) insert the following provision:

RESTRICTION OF ALTERNATE OFFERS FOR SOURCE CONTROLLED ITEMS (JUN 2008)

(a) This acquisition is restricted to source(s) specified on the source control drawing applicable to the item in the purchase order text (POT). Only offers which propose to supply the exact product of the approved sources will be considered for award.

(b) DLA will not evaluate and approve alternate offers for this item. Offerors who are interested in qualifying their product for purposes of future acquisitions must contact the cognizant design activity specified on the source control drawing.

(c) Award of this solicitation will not be held pending qualification and approval of any product. If your product has been recently approved but not added to the list of approved sources cited in the source control drawing, a copy of the cognizant design activity's letter of approval must be submitted with your offer.

(End of Provision)

52.219-9004 Small Business Program Representations.
As prescribed in 19.307(90), insert the following provision:

SMALL BUSINESS PROGRAM REPRESENTATIONS (NOV 2011)

(a) In order to facilitate the use of electronic commerce/electronic data interchange while fulfilling the requirements of the small business program, certain socioeconomic information must be provided in a coded, rather than a fill-in format. Because electronic commerce/electronic data interchange (EC/EDI) transactions are often reformatted in transmission, the use of these codes will prevent misinterpretation within the system. The recording of unique codes instead of the traditional “x-in-the-box” form of information entry may also preclude potential mistakes in socioeconomic program reporting.

(b) In order to record the representations and certifications contained in Federal Acquisition Regulation (FAR) provision 52.219-1, Small Business Program Representations, and in accordance with the definitions found therein, the offeror represents and certifies as a part of its offer that it is a _____business type. (The offeror shall select the one code from the following listing which represents the offeror’s business type.) The offeror’s recording of its business type herein by means of an alpha code replaces the marking of the appropriate boxes in FAR 52.219-1, paragraph (b). The penalties for misrepresentation of business status still apply; see FAR 52.219-1, paragraph (d)(2).

Code B=Small Business. Enter code B if your firm is a small business concern, as defined in FAR 52.219-1, paragraph (c).

Code M=Small Disadvantaged Business. Enter code M if your firm is a small disadvantaged business concern, as defined in FAR 52.219-23, paragraph (a).

Code U=Woman-Owned Small Disadvantaged Business. Enter code U if your firm is a woman-owned business, as defined in FAR 52.219-1, paragraph (c), and a small disadvantaged business, as defined in FAR 52.219-23, paragraph (a).

Code W=Woman-Owned Small Business. Enter Code W if your firm is a woman-owned small business, as defined in FAR 52.219-1, paragraph (c).

Code A=Large business. Enter code A if your firm is not included in any of the above categories.

(End of Provision)

52.219-9008 Combined HUBZone/Small Business Set-Aside Instructions – Type 1.
As prescribed in 19.508(90)(a), insert the following clause:

COMBINED HISTORICALLY UNDERUTILIZED BUSINESS ZONE (HUBZONE)/SMALL BUSINESS SET-ASIDE INSTRUCTIONS – TYPE 1 (NOV 2011)

This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence: (1) HUBZone small business concerns (Federal Acquisition Regulation (FAR) clause 52.219-3); then, if no qualified quote is received from a HUBZone small business concern at a fair market price, (2) small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II). The FAR clauses contained herein (except paragraph (b) of 52.219-3) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.219-9009 Combined HUBZone/Small Business Set-Aside Instructions – Type 2.
As prescribed in 19.508(90)(b), insert the following clause:

COMBINED HISTORICALLY UNDERUTILIZED BUSINESS ZONE (HUBZONE)/SMALL BUSINESS SET-ASIDE INSTRUCTIONS – TYPE 2 (FEB 2006)

This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence: (1) HUBZone small business concerns (Federal Acquisition Regulation (FAR) clause 52.219-3); then, if no qualified quote is received from a HUBZone small business concern at a fair market price, (2) small business concerns (FAR 52.219-6 Alternate I) or FPI (FAR 52.219-6, Alternate II). The FAR clauses contained herein (except paragraph (b) of 52.219-3) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.219-9013 Combined Set-Aside Instructions – Type 1.
As prescribed in 19.508(c), insert the following clause:

COMBINED SET-ASIDE INSTRUCTIONS – TYPE 1 (NOV 2011)

(a) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence:

(1) Service-disabled veteran-owned small business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) clause 52.219-27); then, if no qualified quote is received from an SDVOSB concern at a fair market price,

(2) Historically underutilized business zone (HUBZone) small business concerns (FAR 52.219-3); then, if no qualified quote is received from a HUBZone small business concern at a fair market price,

(3) small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II).

(b) The FAR clauses contained herein (except paragraphs (b) of 52.219-3 and 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.219-9014 Combined Set-Aside Instructions – Type 2.
As prescribed in 19.508(90)(d), insert the following clause:

COMBINED SET-ASIDE INSTRUCTIONS – TYPE 2 (NOV 2011)

(a) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence:

(1) Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) clause 52.219-27); then, if no qualified quote is received from a SDVOSB concern at a fair market price,

(2) Historically Underutilized Business Zone (HUBZone) small business concerns (FAR 52.219-3); then, if no qualified quote is received from a HUBZone small business concern at a fair market price,

(3) Small business concerns (FAR 52.219-6, Alternate I) or FPI (FAR 52.219-6, Alternate II).

(b) The FAR clauses contained herein (except paragraphs (b) of 52.219-3 and 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.219-9015 Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 1.
As prescribed in 19.508(e), insert the following clause:

COMBINED SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS/SMALL BUSINESS SET-ASIDE INSTRUCTIONS – TYPE 1 (NOV 2011)

(a) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence:

(1) Service-disabled veteran-owned small business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) clause 52.219-27); then, if no qualified quote is received from a SDVOSB concern at a fair market price,

(2) Small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II).

(b) The FAR clauses contained herein (except paragraph (b) of 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.219-9016 Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 2.
As prescribed in 19.508(f), insert the following clause:

COMBINED SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS/SMALL BUSINESS SET-ASIDE INSTRUCTIONS – TYPE 2 (NOV 2011)

(a) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). All small businesses are encouraged to submit quotes; however, award will be made in the following order of set-aside precedence:

(1) Service-disabled veteran-owned small business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) clause 52.219-27); then, if no qualified quote is received from a SDVOSB concern at a fair market price,

(2) small business concerns (FAR 52.219-6, Alternate I) or FPI (FAR 52.219-6, Alternate II).

(b) The FAR clauses contained herein (except paragraph (b) of 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

(End of Clause)

52.232-9006 Transporter proof of delivery (TPD).
As prescribed in 32.908-94, insert the following clause:

TRANSPORTER PROOF OF DELIVERY (TPD) (APR 2013)

(a) Definition. As used in this clause, transporter proof of delivery (TPD) means a commercial document that is generated by the Contractor and/or the Contractor's transporter of supplies and that is signed by the Government customer in order to document delivery of supplies under this contract/order. Examples of TPD are United Parcel Service (UPS) or Federal Express (FEDEX) delivery tracking reports. TPD documentation must include a customer signature, or visibility of the name of the customer who signed.

(b) When this clause is included in the contract or order, the Government may use TPD, in combination with adequate Contractor documentation cross-referencing the TPD to the specific supplies provided, as a basis for accepting the supplies. TPD with adequate supporting documentation satisfies the receipt report requirement and, coupled with acceptance, allows the Government to initiate the payment process, if all other applicable payment conditions are satisfied.

(c) To facilitate the payment process, the Government will initiate a request for the Contractor to provide TPD when the customer has not provided receipt acknowledgement to the buying activity. If TPD is requested and the Contractor agrees to provide it, the documentation must include the customer signature, or visibility of the name of the customer who signed, and as much of the following information as possible:

(1) Contract number or order number;
(2) Contract line item number (CLIN);
(3) Unit price;
(4) Quantity of items;
(5) Extended price;
(6) National stock number (NSN);
(7) Delivery date;
(8) Recipient organization's name and address;
(9) Receiving activity Department of Defense activity address code (DoDAAC);
(10) Requisition document number (and suffix, when applicable);
(11) Shipment number;
(12) Invoice number; and
(13) Location where the carrier made delivery (activity name, building number, city, state).

(d) Process for submitting TPD documentation.

(1) Enter wide area workflow (WAWF) using the ``history folder," enter the appropriate contract data, and recall the receiving report (RR);

(2) Click on "attachment." Browse and upload the TPD and any additional Contractor documentation required to provide the information identified in paragraph (c) of this clause. (Attachments created in any Microsoft Office product or in PDF format are acceptable.); and

(3) Click on "submit."

(e) Responsibility for supplies.

(1) Title to the supplies passes to the Government after delivery to the point of first receipt by the Government and subsequent acceptance.

(2) Notwithstanding any other provision of the contract, order, or blanket purchase agreement, the Contractor shall:

(i) Assume all responsibility and risk of loss for supplies not received at destination, damaged in transit, or not conforming to purchase requirements; and

(ii) Replace, repair, or correct those supplies promptly at the Contractor's expense, if instructed to do so by the Contracting Officer within 180 days from the date title to the supplies vests in the Government.

(End of Clause)

52.233-9000 Agency Protests.

As prescribed in 33.106 (90) a provision substantially as follows shall be inserted in all solicitations:

AGENCY PROTESTS (NOV 2011)

(a) Companies protesting this procurement may file a protest

(1) With the Contracting Officer,

(2) With the Government Accountability Office (GAO), or

(3) Pursuant to Executive Order Number 12979, with the Agency for a decision by the Activity's Chief of the Contracting Office.

(b) Protests filed with the agency should clearly state that they are an "Agency Level Protest under Executive Order Number 12979."

(c) Defense Logistics Agency (DLA) procedures for Agency Level Protests filed under Executive Order Number 12979 allow for a higher level decision on the initial protest than would occur with a protest to the Contracting Officer; this process is not an appellate review of a Contracting Officer's decision on a protest previously filed with the Contracting Officer. Absent a clear indication of the intent to file an agency level protest, protests will be presumed to be protests to the Contracting Officer.

(End of Provision)

52.233-9001 Disputes Agreement to Use Alternative Dispute Resolution (ADR).

As prescribed in 33.214, insert the following provision:

DISPUTES - AGREEMENT TO USE ALTERNATIVE DISPUTE RESOLUTION (NOV 2011)

(a) The parties agree to negotiate with each other to try to resolve any disputes that may arise. If unassisted negotiations are unsuccessful, the parties will use alternative dispute resolution (ADR) techniques to try to resolve the dispute. Litigation will only be considered as a last resort when ADR is unsuccessful or has been documented by the party rejecting ADR to be inappropriate for resolving the dispute.

(b) Before either party determines ADR inappropriate, that party must discuss the use of ADR with the other party. The documentation rejecting ADR must be signed by an official authorized to bind the Contractor (see Federal Acquisition Regulation (FAR) clause 52.233-1), or, for the Agency, by the Contracting Officer, and approved at a level above the Contracting Officer after consultation with the ADR Specialist and with legal. Contractor personnel are also encouraged to include the ADR Specialist in their discussions with the Contracting Officer before determining ADR to be inappropriate.

(c) The offeror should check here to opt out of this clause:

[ ] Alternate wording may be negotiated with the Contracting Officer.

(End of Provision)

52.237-9003 Site Visit Coordinator.
As prescribed in 37.110-90(a), insert the following provision:

SITE VISIT COORDINATOR (APR 2008)

(a) Interested prospective offerors may make an appointment to visit the site of installation by contacting the site visit coordinator or his or her alternate, during normal work hours/local time at the site. Contact information for the site visit coordinator and his or her alternate is as follows:

Primary Name: Phone Number
Alternate Name: Phone Number

(b) Prospective offerors are notified that remarks or explanations provided during a site visit shall not qualify the terms of this solicitation. Unless and until this solicitation is amended in writing, terms of the solicitation and specifications remain unchanged.

(c) Site visitors requiring interpretation or clarification of technical or contractual requirements included in this solicitation are encouraged to submit their questions and any information obtained during the site visit to the Contracting Officer, by contacting the individual identified on the face of the solicitation.

(End of Provision)

52.247-9001 Port Handling and Ocean Costs in Bid Evaluation.
As prescribed in 47.305-3(91), insert the following provision:

PORT HANDLING AND OCEAN COSTS IN OFFER EVALUATION (APR 1985)

The above tentative port handling and ocean freight charges are set forth for the information of offerors. In evaluating offers received in response to this solicitation, the Government will utilize those charges which are on file as of the date of bid opening, or closing time specified for receipt of proposals, and effective for the date of expected initial shipment. A list of port handling and ocean freight charges actually used in evaluation, if substituted for any listed above, will be furnished interested offerors upon request.

(End of Provision)

52.247-9011 Vendor Shipment Module (VSM).
As prescribed in 47.305-8-90(c), insert the following clause:

VENDOR SHIPMENT MODULE (VSM) (NOV 2011)

(a) The Defense Logistics Agency (DLA) vendor shipment module (VSM), formerly known as the distribution planning and management system (DPMS), is a web-based distribution and transportation system available to DLA vendors for the purpose of obtaining current shipping addresses, two-dimensional bar coded shipping labels in accordance with military standard (MIL-STD) 129P, bills of lading, packing lists, and other shipping documentation. VSM replaces the need for the vendor to contact the DLA transportation office, prior to shipping, when directed in DLA contracts.
(Note: For contracts administered by the Defense Contract Management Agency (DCMA), the vendor must contact the DCMA transportation office in lieu of using VSM, unless otherwise stated in the contract.)

(b) Use of VSM is voluntary and is especially beneficial for DLA administered free on board (f.o.b.) origin contracts and for DLA administered contracts where ultimate destination is a location outside of the United States.

(c) endors using VSM must possess the following minimum information technology capability:

(1) Pentium personal computer or equivalent system sufficient to access the Internet.
(2) Compatible laser printer with two megabytes of memory.
(3) Internet Explorer 6.0 or higher.
(4) Adobe Acrobat 8.0 or higher
(5) Minimum 56 Kbps internet connection

(d) For more information about VSM or to register as a VSM user, contact the supply chain transportation office helpdesk at (800) 456-5507 or via email to delivery@dla.mil

(End of Clause)

52.247-9036 Shipping Instructions (Export).
As prescribed in 47.305-10-90(d), insert the following clause:

SHIPPING INSTRUCTIONS (EXPORT) (NOV 2011)

Mail instructions (Army Post Office (APO) or Fleet Post Office (FPO) addresses):
Shipments within mail limitations will be routed to the address cited with each contract line-item (CLIN) in the following manner, based on the TP (Transportation Priority) reflected in the "mark for" data with each CLIN:

(a) U.S. mail is the only mode authorized for shipments to APO or FPO addresses.

(b) Commercial small parcel carrier, (e.g., UPS, RPS or Federal Express) and Commercial Motor Carriers are never an acceptable mode to any APO/FPO address. A small parcel carrier may not be used for any destination in Alaska, Hawaii or Puerto Rico unless the carrier guarantees delivery to that specific consignee.

(c) Parcel post shipments to an APO/FPO address must be addressed to the "Commander" or "Commanding Officer" if there is no title preceding the address. Shipments must be annotated under the return address as follows: "Contents for official use - exempt from customs requirements."

(d) For TP1, TP2, (IPD 01-08), 999, NMCS, regardless of distance from origin to the APO/FPO address, contact the cognizant transportation office prior to shipment. Shipments must be packaged for transportation by Military Air (MILAIR).

(e) For TP3 (IPD 09-15), use surface parcel post (fourth class).

(f) Contact the transportation officer prior to shipping via parcel post when a single CLIN consists of more than one package.

(g) The cost of parcel post insurance will not be paid by the Government.

Freight instructions (to air or water ports and CCPs):

(a) Contractor must comply with the requirements of Federal Acquisition Regulation (FAR) 52.247-52, Clearance and Documentation Requirements - Shipments to DoD Air or Water Terminal Transshipment Points.

(b) Contact the Government Transportation Office for the Contract Administration Office: either Defense Contract Management Agency (DCMA) for DCMA administered awards or Defense Logistics Agency (DLA) Distribution for awards administered by the issuing office, see Block 7 of Department of Defense (DD) form 1155 (page 1 of an order) to obtain shipping instructions at least ten days prior to the FIRM date supplies will be available for release to the carrier.

(c) Shipments to container consolidation points (CCPs):

(1) Shipments directed to a CCP shown with each individual CLIN on Schedule Continuation Sheet(s) will be prepared and shipped in accordance with instructions provided within this contract for Preparation for Delivery.

(2) Contact the Transportation Officer for shipping instructions for the following CCP shipments:

(i) Cargo requiring refrigeration/temperature control.

(ii) Classified or sensitive items requiring signature control.

(iii) When dimensions of an item or package exceed 456 inches (38 feet) long by 89 inches wide by 88 inches high, or weight exceeds 10,000 pounds. Cargo cannot exceed any one of the dimensions or the weight.

(iv) When volume or weight constitutes a full SEAVAN load for each activity (DODAAD) code.

(v) Hazardous Material such as material which is flammable, corrosive, combustible, explosive, toxic, radioactive, unduly magnetic, or which contains oxidizing agents.

(vi) Type 1 shelf life items,

(vii) TP1 and 2 (IPD 01-08) with RDD of 999, 777, or 555.

Note 1: For shipments weighing less than 10,000 pounds which will not be tendered as a carload or truckload, the above data must be furnished only five (5) days prior to scheduled shipment date.

Note 2: Do not ship prior to furnishing required data.

Note 3: Invoices must specify clearly when shipment is made by air.

Advance notice of delivery:

Telephone notice of delivery must be given by the carrier to the consignee transportation officer (transport control/prelodge desk) at least 24 hours prior to delivery of freight shipments (other than small parcels) and bills of lading must be annotated to reflect this requirement.

Freight shipping addresses:

Mail address of the ultimate Consignee and "Mark For" information required as part of the address for parcel post or freight shipments, as applicable, are included with the data cited with each individual CLIN. When shipment is over parcel post limitations, the Contractor will comply with the paragraph above and ship in accordance with instructions furnished by the Transportation officer. Addresses of Aerial terminals will be furnished by the Transportation Officer as required. (Parcel post shipments will not be made to water or air terminals).

(End of Clause)

52.247-9037 Trans-Shipment of Material Through DLA Containerization and Consolidation Points (CCP).

As prescribed in 47.305-10-90(e), insert the following clause:

TRANS-SHIPMENT OF MATERIAL THROUGH DLA CONTAINERIZATION AND CONSOLIDATION POINTS (CCP) (NOV 2011)

(a) Shipping information overview:

(1) For awards not administered by Defense Contract Management Agency (DCMA), contact the DLA Distribution to schedule shipment and obtain export clearance and/or air clearance at:

DLA Distribution
Attention: Transportation Division
Email: delivery@dla.mil
Phone: 1-800-456-5507
Facsimile: 1-717-770-2709

(2) For DCMA administered awards:

(i) The Contractor must provide an electronic Department of Defense (DD) Form 1659 to the contract administration office (CAO) transportation officer. The electronic DD1659 can be secured by accessing the DCMA external web-based (EWAM) shipment instruction request (SIR) at http://www.dcma.mil or by accessing http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd1659.pdf or may be obtained from the responsible CAO.

(ii) The Contractor must contact the CAO transportation office to schedule shipment and coordinate export clearance.

(3) Approved distribution planning and management system (DPMS) Contractors may obtain shipping addresses/labels and clearances via the DPMS website.

(4) All shipments must be packaged in accordance with military standard (MIL STD) 2073 and marked in accordance with MIL STD 129. When authorized, commercial packaging/packing provisions must be in accordance with (ASTM D3951). Shipments of petroleum products, liquid substances, and materials, or any other product defined as hazardous shall be packaged in accordance with United Nations regulations which can be accessed at http://www.unece.org/trans/danger/publi/adr/adr2007/07ContentsE.html .

(b) Shipping documentation.

(1) All shipping documents (bills of lading or other delivery documents) shall be annotated in the description of articles space by the Contractor with:

(i) Transportation control number (TCN);

(ii) Required delivery date (RDD), project (if any), transportation priority (TP);

(iii) Ultimate consignee DODAAC and address (see "added marking for freight shipping").

(2) One copy of the contract shall be placed in a waterproof envelope and attached to the shipping container, or to the #1 shipment container (in a waterproof envelope), marked # 1 of the total number of containers, if a multi-piece shipment.

(c) Eligible shipments: CCP eligible shipments destined for an ultimate OCONUS destination will be shipped to the DLA CCP at San Joaquin, California (DDJC), or New Cumberland, Pennsylvania (DDSP) as directed by the transportation office (see paragraph (a) above).

Defense Distribution Depot San Joaquin, CA (DDJC) accepts:

Routine surface shipments, unless the material meets one of the exclusions listed in Paragraph (4) of this clause, for Army, Air Force, Navy and Marine Corps, and DLA activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific.

Air Eligible shipments, unless the material meets one of the exclusions listed in Paragraph (d) of this clause, for Army activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific.

Navy shore activities (not including CASREPS for “Mobile” units) throughout the Pacific and Hawaii.

DDJC – San Joaquin, California (Tracy site)
Phone: 209-839-4283
DSN: 462-4283
FAX: 209-982-3790
Receiving/delivery appointments
(209) 839-4307
Call 24 hours in advance to schedule an appointment.

Note: Shipments that have been determined to be Worldwide Express (WWX) eligible are not to be shipped to a CCP. It is the responsibility of the DCMA transportation office personnel to determine if a shipment is eligible for worldwide express (WWX).

Defense Distribution Depot Susquehanna, Pennsylvania (DDSP) accepts:

Routine surface shipments, unless the material meets one of the exclusions listed in Paragraph (d) of this clause, for Army, Air Force, and DLA activities located in northern and southern Europe, Africa, South America, and Central America.

Air eligible shipments, unless the material meets one of the exclusions listed in paragraph (d) of this clause, for Army and DLA activities throughout Northern and Southern Europe, Africa, South America, and Central America and Marine Corps shipments in the CENTCOM AOR.

DDSP – Susquehanna, Pennsylvania (New Cumberland site)

Commercial: 717-770-6393
DSN: 771-5381
FAX: 717-770-8660
Receiving/delivery appointments
1-800-307-8496
Call 24 hours in advance to schedule an appointment.

Note: Shipments that have been determined to be worldwide express (WWX) eligible are not to be shipped to the CCP. It is the responsibility of the DCMA transportation office personnel to determine if a shipment is eligible for worldwide express (WWX).

All high priority/air eligible material not listed above must be routed to the appropriate Air Mobility Command aerial terminal or other CONUS service designated activity as directed by the Transportation Office (see paragraph (1) above).

(d) Exclusions: Materiel not eligible for shipment to a DLA CCP because of exclusions listed below or where the shipment is consigned to an activity not supported by a DLA CCP shall be shipped directly to an appropriate aerial terminal, water port, or a CONUS service designated activity as directed by the Transportation Office (see paragraph (a) above).

(1) Excluded material:

(i) Any material listed in Defense Transportation Regulation (DTR) DOD 4500.9-R, Chapter 203, Tables 203-10 mandatory CCP exclusions), 203-11 (additional CCP exclusions for DDSP and DDJC) and 203-12 (additional mandatory CCP Exclusions for DDSP). The Defense Transportation Regulation (DTR) can be accessed at: http://www.transcom.mil/j5/pt/dtrpart2/dtr_part_ii_203.pdf .

Note: All shipments destined for CENTCOM AOR require application of radio frequency tags (RFID) for in-transit visibility of the material.

(ii) Foreign military sales (FMS)- FMS is shipped via special consolidation locations for the security assistance program (SAP) as listed in the military assistance program address directory (MAPAD) in accordance with the Delivery Term Code (DTC) requirements. Contact the DLA Distribution or DCMA transportation office (paragraph (1) above) for proper shipping instructions.

(End of Clause)

52.247-9054 Computation of Cube – Wood Products.

As prescribed in 47.303-90(i), insert the following provision:

COMPUTATION OF CUBE – WOOD PRODUCTS (NOV 2012)

(a) For the purpose of applying the rates specified in paragraph d of Federal Acquisition Regulation (FAR) provision 52.247-51, the total cubic feet for each contract line-item number (CLIN) will be computed as follows:

(1) Softwood lumber: The cube will be computed based on the minimum size specified by the issue of the American Softwood Lumber Standard PS20-70 in effect on the date of the solicitation for nominal size, degree of surfacing and moisture content specified for each CLIN. When a CLIN specification permits any stage of seasoning and offers are submitted based on furnishing dry lumber for specified CLINs the cube of such CLINs will be based on the minimum dry size for the stated nominal size and degree of surfacing.

(2) Hardwood lumber: The cube will be computed based on the minimum size specified by the National Hardwood Lumber Association rules in effect on the date of the solicitation for the nominal size, degree of surfacing and moisture content specified for each CLIN.

(3) Poles, piling and logs: The cube in board foot measure will be calculated using the brereton scale and the minimum butt and tip circumferences and the length specified for each CLIN. Measurement tons

are computed using the conversion factor of 480 board foot measure equals one measurement ton or 40 cubic feet.

(4) Plywood: The cube will be computed based on plywood being packaged as required by Federal specification NN-P-530.

(5) Other wood products: The cube will be computed based on the dimensions specified for each CLIN.

(End of Provision)]

52.247-9058, First Destination Transportation (FDT) Program – Shipments Originating Outside the Contiguous United States (OCONUS).
As prescribed in 47.305-3(97), insert the following clause:

FIRST DESTINATION TRANSPORTATION (FDT) PROGRAM – SHIPMENTS ORIGINATING FROM OUTSIDE THE CONTIGUOUS UNITED STATES (OCONUS)
(JUL 2013)

(a) Contiguous United States (CONUS) is defined as being the 48 contiguous states and the District of Columbia.

(b) This acquisition is being conducted under the First Destination Transportation (FDT) Initiative. Delivery terms are f.o.b. origin. Inspection and acceptance by the Government will occur at destination unless otherwise specified in the solicitation.

(c) For offerors whose shipments will originate from outside CONUS (OCONUS), the Offeror's f.o.b. origin price shall include transportation to a CONUS location that the Offeror selects based on cost-effectiveness or other variables at the Offeror's discretion. This location shall be deemed the origin point for purposes of the f.o.b. origin terms and conditions of the solicitation/order/contract. The Offeror shall identify this CONUS location as the pick-up point in the Vendor Shipment Module (VSM) at https://vsm.distribution.dla.mil.

(End of Clause)

52.247-9059 F.o.b. Origin, Government Arranged Transportation
As prescribed in 47.305-3-98, insert the following clause in solicitations and contracts:

F.O.B. ORIGIN, GOVERNMENT ARRANGED TRANSPORTATION (OCT 2013)

(a) Definitions.

"*Government Arranged Transportation*" means the Government is responsible for transportation costs, providing the carrier, and scheduling the shipment pickup contingent upon correct Contractor notification in VSM.

(2) "*Vendor Shipment Module (VSM)*," formerly known as the Distribution Planning and Management System (DPMS), is a Defense Logistics Agency (DLA) web-based distribution and transportation system available to DLA contractors for the purpose of obtaining current shipping addresses, two-dimensional bar-coded shipping labels in accordance with Military Standard (MIL-STD) 129P, bills of lading, packing lists, and other shipping documentation. VSM replaces the need for the Contractor to contact the DLA transportation office prior to shipping, when directed in DLA contracts. Refer to 47.305-8-90 and clause 52.247-9011 for VSM policy.

(b) The Contractor shall–

(1) Notify the Government when ready to ship material. The Contractor shall use the Vendor Shipment Module (VSM) to notify the Government of the availability of items to ship. The Government can take up to two (2) full business days to schedule the shipment, and pick-up should occur within

five(5) business days of the Contractor's notification. he Contractor shall plan for sufficient time for scheduling the shipment and standard ground transportation for its material to arrive at the destination by the CDD.

(2) Address special accommodations—

(i) Order specified carrier equipment when requested by the Government; or

(ii) If not specified, order appropriate carrier equipment not in excess of capacity to accommodate shipment;

(3) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the Contractor) on or in the carrier's conveyance as required by carrier rules and regulations.

(c) Responsibility for supplies—

(1) Contractor is responsible for any loss and/or damage to the goods:

(i) Occurring before delivery to the carrier;

(ii) Resulting from improper loading, stowing, trimming, blocking, and/or bracing of the shipment, if loaded by the Contractor on or in the carrier's conveyance.

(2) Per FAR 52.246-16 – Responsibility for Supplies, title to the supplies under this contract shall pass to the Government upon formal acceptance, regardless of when or where the Government takes physical possession, unless the contract specifically provides for earlier passage of title. The Contractor shall not be liable for loss or damage to supplies caused by the negligence of officers, agents, or employees of the Government, including but not limited to the Government's designated carrier, acting within the scope of their employment.

(3) Paragraph (c)(2) above shall not apply to supplies that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage remains with the Contractor for all non-conforming supplies received at the first-destination location until cure or acceptance. If instructed by the Contracting Officer, the Contractor shall replace, repair, or correct those supplies promptly at the Contractor's expense, including but not limited to shipping costs to retrieve the non-conforming supplies and costs to ship conforming supplies.

(End of Clause)

PART 53 – FORMS

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SUBPART 53.2 – PRESCRIPTION OF FORMS

(Revised September 19, 2016 through PROCLTR 2016-09)

53.213 Small purchase and other simplified purchase procedures.

53.213-90 Blanket purchase agreement delivery ticket (DLA Form 470).

This form may be used when supplies or services are acquired by means of a blanket purchase agreement (BPA).

(a) General. The Defense Logistics Agency (DLA) Form 470 is a cut sheet form and is designed to be used by the vendor as an acknowledgment of a call, notice of shipment, packing list, and invoice. This form eliminates the need for preparation, by the Contractor, of separate forms for these purposes. Also, Government personnel requiring information on these forms will receive it on a standard format.

(b) Procedure. A supply of the forms may be provided by the contracting office to each Contractor who has entered into a BPA with the center. Upon the placing of a call, the Contractor may be required to complete the BPA delivery ticket based on information contained in the written or oral call in accordance with detailed instructions to be provided by the contracting office.

(c) General instructions for preparation of DLA Form 470. After the placing of each call, complete the call, complete the form in accordance with the general instructions below, and any specific instructions received with the placing of the call.

(1) Block 11. This is the date the supplies are to reach destination, not the date of shipment. Convert the number of delivery days the Government offered to an actual date. For example, if the Government offered a 30-day delivery and received the oral or written call on 1 October, enter 10/31/YY as the required date.

(2) Block 12. This is the date the supplies are to be shipped, not delivered.

(3) Blocks 13 through 19. Information for these blocks will be furnished by the contracting office at the time of the call. Enter the name and address of the consignee in block 15.

(4) Blocks 21 through 23. Entries in these blocks will be made at the time of shipment. Enter actual date shipped or delivered. No partial shipments to a particular destination may be made. If more than one shipment is made against a call, prepare two copies of this form for shipment. Copies of the shipping documents may be attached as an alternative to completing blocks 21 and 22.

(5) When using the form as an acknowledgment of call. Place a check mark on "*" copies of the form in the box "Acknowledgment of call" (block 9).

(6) When using this form as a notice of shipment. Place a check mark in the box "Packing list" (block 9) on "*" copies of the form in the box "Notice of shipment" (block 9).

(7) When using the form as a packing list. lace a check mark in the box "packing list" (block 9) on "*" copies of the reproduced form for each consignee. Be sure blocks 21 through 23 have been completed, as applicable, on the forms used. Send "*" copies to each consignee by placing copies inside the container or in an envelope attached to the exterior of the container.

(8) When using this form as an invoice. At the end of the billing period, fill in "*" copies of the reproduced form which includes the shipment data for all destinations of that call as follows:

(i) Place a mark in the box marked invoice (block 9) of each copy of the form.

(ii) Sign and date blocks 24 and 25 of the top copy only of the form. If the BPA under which this call was issued does not provide for the fast payment procedure, the top copy must contain the signature and date (blocks 27A and 27B) of the authorized Government representative receiving and/or accepting for the Government.

"*" The number required shall be in accordance with the needs of the contracting office.

53.213-91 Shipping Instruction (DLA Form 1224).

This form is used against automated simplified acquisitions.

53.213-92 Request for Quotation (DLA Form 1231).

This form is used against automated simplified acquisitions.

53.219 Small business and small disadvantaged business concerns.

53.219-90 Referral of Small Business for Certificate of Competency (CoC) Consideration (DLA Form 1756).

(a) LA Form 1756 may be used to provide information for CoC referrals as required by FAR 19.602-1 and DFARS 219.602-1.

(b) General instructions for preparation of DLA Form 1756:

(1) The name, size status, and total dollar value of the next low offeror should be identified, however, referrals shall not urge a conclusion based upon the size status of the second low offeror.

(2) The remaining blocks of the form are self-explanatory.

SUBPART 53.3 – ILLUSTRATION OF FORMS

(Revised April 18, 2014 through PROCLTR 2014-64)

53.300 General.

DLA forms are electronically maintained at http://www2.dla.mil/officialforms/pages/default.aspx.

SUBPART 53.90 - FORMATS AND TEMPLATES

(Revised October 27, 2016 through PROCLTR 2017-01)

53.9007 Acquisition Planning

53.9007(a) Template - Streamlined Acquisition Plan (SAP)

The following format may be used for acquisitions above the SAT up to $10 million as prescribed in 7.102-90(e).

For Official Use Only
Source Selection Information -- See FAR 2.101 and 3.104

Streamlined Acquisition Plan (SAP)
(Complete and select the box that is appropriate for the acquisition situation)

Date:

Contracting office: Contracting officer name:

Requiring activity: Voice (DSN):

Project title: Fax (DSN):

Supply criticality:

Contracting officer's e-mail address:

Purchase request (PR) or control number:

☐ Construction ☐ Service ☐ Supply ☐ Research and development (R&D)

a. Product Service Code: (Specify for services)

b. Services Portfolio Category: (Specify for services)

I. Brief description of requirement (FAR 7.105(a)(1)

a. Government estimate: $ (include all options and surge values)

b. Period of performance (include options)

c. Delivery schedule:

II. Proposed acquisition approach

a. Extent of competition:

☐ Full and open competition
☐ Other than full and open competition* * FAR 6.3 authority (Specify):
☐ Full and open after exclusion of sources
☐ Competitive non-DoD
☐ Mandatory use policy, including waivers (e.g., under Part 8)
☐ Limited sources (e.g. under Part 8.405-6):

b. Small business set-aside: (See FAR Part 19)

☐ Competitive small business set-aside (SBSA)
☐ Competitive 8a ☐ Sole source 8a
☐ Service Disabled Veteran Owned Small Business (SDVOSB) Set-Aside
☐ SDVOSB sole source
☐ Historically underutilized business zone (HubZone) Sole Source
☐ HubZone set-aside
☐ Small disadvantaged women owned business (SDWOB)
☐ Economically disadvantaged women owned small business (EDWOSB)
☐ Historically Black colleges and universities / minority institutions (HBCU/MI)
☐ Not applicable (NA) (If acquisition is unrestricted)
☐ Other (Specify):

c. Procedures: (Check all that apply)

☐ FAR 8.404 (GSA/Non-DoD Competitive) ☐ FAR 12 Commercial Items
☐ FAR 13 Simplified Acquisition Procedures ☐ FAR 14 Sealed Bidding
☐ FAR 15 Negotiation ☐ FAR 36 Construction and Architect and Engineer (A&E) and design build

d. Contracting method

☐ Invitation for bid (IFB)
☐ Competitive request for proposal (RFP)
☐ Sole source RFP
☐ Other (fill-in)

e. Basis of award:

☐ Sealed bid – Part 14
☐ Negotiation – Part 15
☐ Lowest price technically acceptable
☐ Performance price trade-off without technical factors/proposal
☐ Performance price trade-off with technical factors/proposal
☐ Full trade off source selection (an acquisition plan is highly recommended)
☐ General Services Administration (GSA)/non-DoD competitive
☐ Other (explain):
Identify evaluation factors:

f. Contract type (Check all that apply):

☐ Fixed-price ☐ Time and material/labor hour agreements ☐ Economic price adjustment ☐ Incentive ☐ Award fee ☐ Cost-reimbursement ☐ Redetermination
☐ Indefinite delivery contract (IDC) ☐ Multiply Award
☐ Single Award (Provide rationale why single award)
☐ Other (Specify):

g. Sustainability:

☐ Contains sustainability requirements.
☐ Sustainability exception applies: (Specify)
☐ Sustainability requirements waived, approved by: (Specify)

h. Other considerations (Check all that apply):

☐ Progress payment ☐ Warranty ☐ First article test (FAT)
☐ Government furnished property(GFP) / Government furnished material (GFM) / Government furnished equipment (GFE) involved
☐ Other (specify). Other items/considerations may include, Non-Economy Act or Economy Act assisted acquisitions and use of reverse auction)

III. Prior procurement history: (If applicable)

IV. Market research: (Discuss the purpose, nature, extent, involved personnel/offices and results/status, commerciality, and estimated completion date of any market research initiated/to be initiated in support of the instant purchase request or anticipated future requirements (see also FAR, DFARS, and DLAD Parts 10, 11,)

V. Problems /risk/vulnerabilities (See DLAD 7.105-90)

VI. Projected key milestone dates:

Receive purchase request (PR):
Issue solicitation:
Receive bids/offers:
Complete evaluations:
Award contract:
Contract start:

_____ ____
Contracting Officer Name and Signature Date

VII. Approvals:

** The following section is to be completed by reviewer/approving official. **

Reviewer's name: Reviewer's DSN/ phone number:
Reviewer's e-mail:

☐ Streamlined acquisition plan (SAP) approved as submitted
☐ SAP conditionally approved subject to comments below
☐ SAP disapproved (reviewers are required to include comments below)
☐ Requirement has been reviewed and validated by (specify):

Reviewer's comments:

Reviewer's signature: _____

** The following section is to be completed by the small business specialist when required**

☐ Small business specialist coordination _____
Small business specialist's comments:

** The following section is to be completed by the competition advocate when required**

☐ Competition Advocate coordination _____
Competition advocate's comments:

53.9013 Simplified Acquisition Procedures

53.9013(a) Elevation Timeline for Simplified Acquisitions

ELEVATION TIMELINE FOR SIMPLIFIED ACQUISITIONS

PR Schedule	Action Officer	Action Item
1 Day After Solicitation Closes*	Contracting Officer	Review offers for acceptability and address any technical and/or supply issues. If these issues cannot be resolved within 7 days, alert Supervisor. If an ESA referral is required, follow "non-procurable" policy. If no quotes, follow non-procurable policy. If pricing or other issues cannot be resolved within 7 days elevate.
7 Days After Solicitation Closes	Contracting Officer; Contracting Officer Supervisor	Contracting Officer: Elevate to Supervisor. Contracting Officer Supervisor: If unable to help resolve, elevate to Division Chief by Day 15. (document file)
15 Days After Solicitation Closes	Division Chief	If Contracting Officer Supervisor is unable to resolve, determine and facilitate a resolution by Day 20. (document file)
20 Days After Solicitation Closes	Contracting Officer	Document File outlining the actions that were taken then award or follow Non-Procurable Policy by Day 20.

*For Automated 'T' Solicitations, follow above steps after Auto Evaluation Status (AES) Block converts to 'M' or 'S'.
Above steps should take no longer than 20 business days. The following blocks shall be completed and placed in the purchase order file once all parties complete their actions.

Contracting Officer Name	Signature and Date
Contracting Officer Comments (optional)	
Contracting Officer Supervisor Name	Signature and Date
Contracting Officer Supervisor Comments (optional)	
Division Chief Name	Signature and Date
Division Chief Comments (optional)	

Elevation Policy Timeline (No Quote)

Follow procedures laid out in the Non-Procurable Policy (CP-13-001)

53.9013(b) Simplified Acquisition Award Documentation

The following format shall be used to document the basis for award and determination of price reasonableness for simplified acquisitions as prescribed in 13.106-3(b).

Simplified Acquisition Award Documentation

Contracting officer: _____ PR#: _____

Basis for Award – Price Reasonableness Determination – FAR 13.106-3(a): (Check as applicable and explain as needed*)

[ ] Fair and Reasonable – Adequate Price Competition – Manufacturer Competition
[ ] Fair and Reasonable – Adequate Price Competition – Dealer/OEM Competition
[ ] Fair and Reasonable – No Competition (single quote or noncompetitive price range)
[ ] Fair and Reasonable – Adequate Price Competition Among Providers of Services
[ ] Commercial Item $_____per unit
[ ] Market Research
[ ] Federal Supply Schedule (FSS) Number: _____ FSS Price: $ _____
[ ] Independent Government Estimate
[ ] Comparison of the proposed price with prices found reasonable on previous purchases
Contract:_____ Unit Price: $_____
Price Reasonableness Code (PRC) (if applicable) – DLAD 15.406-3(a)(11):_____
[ ] Comparison of similar items: NSN: _____ Unit Price: $_____
[ ] Contracting Officer's knowledge of the item
[ ] Any other reasonableness basis (i.e. Informal Cost Breakdown, Set by law or regulation, or other FAR Part 15 procedures)

***Narrative:**
DFARS 217.7505 Sole Source Price Increase Certification:

October 2016

Price has increased 25% or more within the past 12 months. [ ] Yes [ ] No. If "Yes", the price has been evaluated and justified. Required notification prior to award has been completed.

Best Value Determination: (Required if Awarding to Other Than Lowest Price Highest Scored):

***Narrative:**

Other Determinations: (Check as applicable and explain as needed*)

[ ] Procurement is a First Time Buy
[ ] Fast Pay applicable
[ ] PR complies with Fast Pay requirements IAW FAR 13.402(a) through (f)
[ ] FAR DEV at DLAD 13.402 applies. FAR DEV Number: _____
[ ] First Destination Packaging [ ] No Negotiation/Low Potential Savings (DLAD 15.402(a)(S-90)(3)(ii)(B)(1)
[ ] SAM.gov checked; awardee not proposed for suspension/debarment or debarred IAW FAR 9.105-1(c). Date SAM Checked: _____

Contracting Officer's signature on the award document constitutes concurrence with all determinations made above.

53.9013(c) Template - Commercial Item Pre-solicitation Documentation

The following format may be used to document price and award justification as prescribed in 13.500(S-90)(7)(i).

MEMORANDUM FOR RECORD

SUBJECT:COMMERCIAL ITEM PRE-SOLICITATION DOCUMENTATION IAW FAR 10.002, FAR 2.101, and FAR 13.5

Commercial Test Procedures Under 13.5 are Applicable
Market research has been conducted prior to solicitation:
Solicitation #_____, NSN(s)_____, Item _____

Part I – Market Research

Please check the applicable block(s) for techniques utilized to conduct market research and determine commerciality:

( ) Commercial-Off-the-Shelf Field is coded: _(attach supporting documentation to include a review of the Material Master in SAP);

( ) Reviewed the results of recent market research undertaken to meet similar or identical requirements;

( ) Queried the Government-wide database of contracts and other procurement instruments intended for use by multiple agencies available at https://www.fpds.gov and other Government and commercial databases that provide information relevant to agency acquisitions;

( ) Reviewed catalogs and other generally available product literature published by manufacturers, distributors, and dealers or available on-line; or

( ) Contacted knowledgeable individuals in Government and industry regarding market capabilities to meet requirements

Part II – Commerciality Determination

Please check to indicate completion:

( ) In accordance with FAR 10.002(b) and FAR 2.101, Definitions, a review has been conducted of the item description(s) to determine if commercial items or non-developmental items are available to meet the Government's needs or could be modified to meet the Government's needs. The items are deemed commercial based on the above market research.

Part III – Contract Type

Please check to indicate the type of contract

( ) FFP ( ) FFP with EPA

Part IV – Consolidation/Bundling

Please check to indicate if Consolidation or Bundling is applicable:

( ) Consolidation (Please see attached report/determination)
( ) Bundling (Please see attached report/determination)

Part V – Past Performance Evaluation

( ) Past Performance applicable
( ) Past Performance is not appropriate due to
_____

CONCLUSION:

Based on the market research conducted, item(s) to be solicited against subject solicitation are determined to be commercial.

APPROVALS:

_____ _____ _____ _____

Contracting Officer Date

53.9013(d) Template - Commercial Evaluation/Award Documentation

The following format may be used to document the determination of responsibility as prescribed in 13.500(S-90)(7)(ii).

MEMORANDUM FOR RECORD

SUBJECT: COMMERCIAL ITEM AWARD DETERMINATION UNDER TEST PROGRAM 13.5

Part I

Determination of Responsibility: The awardee [*insert CAGE code*] is hereby determined responsible.

Part II

The Price is determined fair and reasonable based on:

____ Adequate competition

If only one response was received, the price is determined fair and reasonable based on:

____ Market Research: (insert narrative below);

____ Comparison of proposed price with prices found reasonable on previous purchases (insert narrative below);

____ Current price lists, catalogs, or advertisements. However, inclusion of a price in a price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price (insert narrative below);

____ Comparison with similar items in a related industry (insert narrative below);

____The contracting officer's personal knowledge of the item being purchased (insert narrative below);

____ Comparison to an independent Government estimate (insert narrative below); OR

____ Any other reasonable basis (insert narrative below) Additional Remarks:

Part III

Award Justification: ***(Insert narrative)***

APPROVALS:

_____ _____ _____ _____

Contracting Officer Date

53.9013(e) DOD EMALL waiver form.
Use the following format as prescribed in 13.301(S-91)(2)(ii):

DOD EMALL Waiver

TRANSACTION NUMBER/CALL NUMBER _____

In accordance with DLAD 13.301(S-91)(2)(ii), the undersigned Billing Official hereby waives the requirement to use DOD EMALL as authorized by undersigned Hierarchy Level 4 (HL4) Agency/Organization Program Coordinator (A/OPC) based on the following circumstance(s): (Check all that apply.)

- ☐ Use of DOD EMALL would not meet the delivery requirements;
- ☐ Use of DOD EMALL would result in unreasonable or excessive cost to the requiring activity;
- ☐ Use of DOD EMALL would violate requirements for use of mandatory sources.

I have validated and attached supporting documentation for this waiver.

_____ _____

Billing Official Printed/Typed Name HL4 A/OPC Printed/Typed Name

_____ _____

Billing Official Signature/Date HL4 A/OPC Signature/Date

53.9015 Contracting by Negotiation

53.9015(a) Price Negotiation Memorandum Checklist Competitive.
Contracting officers must use format in the following checklist as prescribed in 15.406-3.

PRICE NEGOTIATION MEMORANDUM CHECKLIST COMPETITIVE			
Contents Checklist	Yes	No	N/A
"FOR OFFICIAL USE ONLY (FOUO)" at the top and bottom of first and last page, and bottom of each page containing FOUO (DOD Manual 5200.01, Vol 4)			
1. Subject			
a. Contractor name, division or group and location			
b. Contract or RFP number			
c. Item or service acquired			
2. Introductory summary			
a. Contractor and proposal selected for award and date			
b. Offerors			
c. Tabular Summary of: proposed price, government estimate, and final proposal revision			
Major Price Items or CLINS			
Total			
Profit/fee %			
CPAF (base and award fee) ($ and %)			
Contract type			
c. Clearance authority			
(1) Approval authority			
(2) Approval date, meeting dates, and participants			
3. Details			
a. Description of item or services			
b. Explain method used for line item or unit prices			
c. Personnel: List names, title, organization and telephone number of participants in price analysis and as applicable, cost realism discussions			
d. Significant dates:			
(1) Proposal date			
(2) Discussion (s)/date (s)			
(3) Final proposal revision date			
(4) Other significant date (s) (acquisition review board dates, competitive range determination, solicitation amendments, etc.)			
4. Acquisition situation			
a. Acquisition background			
b. Discuss period of performance and delivery schedule			
c. Outside influences or unusual time constraints (i.e., Funding limitations, higher level, Congressional influences)			
d. Unique features or special pricing provisions (economic price adjustment, incentives, warranties, special progress payments, etc.)			

5. Evaluation summary			
a. Reasonableness, completeness, cost realism if applicable, and balance			
(1) Description of price analysis technique (s) used, results, and appropriateness in determining price reasonableness and completeness			
(a) Description of the basis of any escalation rates used for adjusting historical prices or for forecasting option year prices. See DoD Contract Pricing Reference Guide, Volume 2 Quantitative Techniques, Chapter 1 Using Price Index Numbers for potential sources of information, calculating adjustments, and other relevant topics. .			
(b) Description of GSA Schedule prices, if any. Contracting officer must check GSA for any relevant price information and document the results			
(2) Description of the cost realism analysis technique (s) and their result (s) (if performed)			
(3) Description of assessment of balanced pricing and any associated risks			
(4) Document decision to conduct discussions and date (s). Document decision to award without discussions.			
(5) Description and listing of major differences between the proposal and the final proposal revision prices			
b. Adequate price competition determination description			
(1) Basis of determination statement of adequate price competition			
(a) Best value to the Government and the significance of cost or price to all evaluation factors combined;			
(b) Lowest evaluated price; or			
(c) Adequate price competition			
(2) Definitive statement the offered price selected is fair and reasonable based on adequate price competition.			
6. Advisory reports and key documents			
Listing of Government advisory reports (pricing, technical, should cost, etc. Include title, report number and date.)			
7. Signatures			
Signature block for contracting officer, and any other signatures required			
8. Attachments			
Attachments as identified in the document			

53.9015(b) Price Negotiation Memorandum Checklist Non-Competitive.
Contracting officers must use format in the following checklist as prescribed in 15.406-3.

PRICE NEGOTIATION MEMORANDUM CHECKLIST NON-COMPETITIVE			
PNM Contents Checklist	PNOM	PNM	N/A
"FOR OFFICIAL USE ONLY (FOUO)" at the top and bottom of first and last page, and bottom of each page containing FOUO (DOD Manual 5200.01, Vol 4)			
1. Subject			
a. Contractor name, division or group and location			
b. Contract or RFP Number (as applicable include modification number)			
c. Item or service acquired		NA	
d. Delivery and/or Period of Performance			
2. Introductory summary			
a. Date (s) of Negotiation and Agreement	NA		
b. Contract action type (new contract, supplemental agreement, etc.)		NA	
c. Tabular summary of cost, FCCOM, profit or fee and price:			

(1) Proposed and objective positions		NA	
(2) Proposed, objective and considered negotiated positions	NA		
(3) Separate summaries for options, etc.			
(4) Fee or profit rate for each position			
(5) Award fee pool for each position (as applicable) Ceiling price and percentage for each position (as applicable for cost contracts)			
(6) Contract type for each position (FFP, FP/EPA, CPFF, CPAF, etc.)			
d. Approval authority			
(1) Approval authority			
(2) Approval date, meeting date (s), and participants			
(3) Limitations and specific approving authority conditions			
3. Details			
a. Item or service identification:			
(1) Quantity and type			
(2) Previous buys for the same or similar items			
(A) Date (s) of recent buys		NA	
(B) Quantity		NA	
(C) Contract type		NA	
(D) Prior unit or total prices (target and finals if applicable and available: document separately recurring and nonrecurring costs)		NA	
(E) Current unit or CLIN prices (may attach) with name of item, NSN, part number, quantities, etc., as applicable (document separately recurring nonrecurring costs)		NA	
(F) Summary explanation of significant differences between the instant buy and most recent historical price (s)		NA	
(G) Stock Position of Items (include date stock position, current unfilled orders, inventory consumption rate, due-in quantities, etc. Discuss any over or under position)		NA	
b. Explain method for line item or unit prices			
c. Fact-finding and negotiation dates, places, names, titles, and office symbols for the government and the contractor			
d. Principal government and contractor negotiator identified			
4. Acquisition situation			
a. Acquisition background (contract type, pricing, etc.) indefinite-delivery contract and why it does or does not apply, surge and sustainment, etc.			
b. Period of performance and delivery schedule (address resolution of differences between required, proposed and negotiated)			
c. Outside influences and unusual time constraints			
d. Government furnished facilities, equipment or other support unique to this acquisition			
e. Unique features such as should cost, design-to-cost, life cycle cost, special payment procedures, and special provisions (clauses: savings, EPA, progress payments, performance based payments, validation of critical safety item and date , incentives, etc.)			
5. Negotiation summary			
a. Discussion of contractor price analysis, government price analysis, or no analysis performed			
(1) Price element summary for proposed, objective, and considered negotiated amount. Discuss the position for proposed, objective and considered negotiated positions by topic.			

(2) Price reasonableness basis or estimating technique (attach exemption or waiver if used instead of certified cost or pricing data). If using GSA schedule, the contracting officer must include a GSA contract for any relevant price information and document the results		NA	
(3) Identify submission of data other than cost or pricing data necessary to determine a reasonable price. Discuss rationale and required updates (attach sales data, catalogues, competitive price list, independent market prices, other data, etc.)			
(4) Identifies submission of subcontractor cost or pricing data necessary to determine a reasonable price. (Even if HCA waived the submission for prime contractor)			
(5) Price analysis and objective adjustments resulting from requirement changes			
(6) Significant differences between objective and negotiated amounts	NA		
(7) Use of advisory information and report (s) to support the objective, including significant differences, objective, and final negotiated agreement.			
b. Discuss analysis and support for proposed, objective and (PNM) negotiated positions			
c. Identify proposal of record used to baseline the objective.		NA	
d. When receiving certified cost and pricing data, a statement of the extent to which the contracting officer relied on contractor provided data except where specifically identified (including agreed to cut-off dates)	NA		
e. Actions exceeding TINA threshold, the contracting officer must search the Contract Business Analysis Repository (CBAR) and document the results of CBAR search.			
f. When performing cost analysis, major cost element summary with subparagraph index for proposed, objective and considered negotiated amounts (including direct and indirect costs for labor, materials,)			
g. Discussions of cost analysis performed for each major cost element for contractor proposed, government objective and considered negotiated positions in the following areas:			
(1) Summary breakout of major cost items			
(A) Labor hours by rate category			
(B) Identify and discuss indirect rate (s)			
(C) Materials and other costs by category			
(D) Subcontractor cost or pricing data			
1. Requirement, availability, adequacy of and reliance on subcontractor cost or pricing data		NA	
2. Sole source or competitive		NA	
3. Extent and adequacy of the prime's review		NA	
4. Why the contracting officer did not receive certified cost or pricing data when required (attach waiver or describe exemption)		NA	
5. Why the contracting officer received certified cost or pricing data when not required		NA	
(E) Basis or estimating method used			
(F) Explanation of contractor data not relied on and reason for using other than contractor's data, identify data used to develop the government's position			
(G) Rationale, sources, and currency of the data used to set the objective (include modification change determined to be noncommercial where originally determined commercial)		NA	

(H) Significant differences between the objective and negotiated amounts	NA		
(I) Use of advisory reports supporting the objective, including significant differences between them, the objective, and the final negotiated agreement			
(J) For undefinitized contract actions: actual costs to date, % of completion, trends and, as applicable, the contractor's estimate to complete			
(2) With incentive arrangements, describe the basis for share ratio (s) and ceiling price (s)		NA	
(3) Profit (Fee). Explain how the contracting officer developed the objective			
(A) If using WGM, state assigned weights and provide reasoning when weights are below or above normal. (DD 1547 Attached to the PNM)		NA	
(B) If not using WGM, explain why and how the contracting officer developed the profit objective		NA	
(C) List profit or fee rate (s) negotiated. If the contracting officer did not achieve WGM profit objectives during negotiations, explain why and support profit or fee rate negotiated	NA		
g. Summarize and include a definitive statement on why the negotiated price is fair and reasonable. (Address the 25% limitation on price increases (DFARS 217.7505)	NA		
h. Description of the basis of any escalation rates used for adjusting historical prices and for forecasting option year prices. See DoD Contract Pricing Reference Guide, Volume 2 Quantitative Techniques, Chapter 1 Using Price Index Numbers for potential sources of information, calculating adjustments, and other relevant topics.			
i. Summarize and include a definitive statement on why the negotiated price is fair and reasonable. (Address the 25% limit on price increases (DFARS 217.7505)			
6. Advisory reports and key documents			
a. List government advisory reports (audit, pricing, technical, should cost, etc. Include title, report number and date.)			
(1) Explain use of informal field support instead of formal report (s)			
(2) Explain basis for any field reports required but not received		NA	
b. Give status, explanation, and disposition of deficiencies on the following contractor systems that affect negotiations			
(1) Accounting system (include adequacy of disclosure statement and compliance with cost accounting standards)		NA	
(2) Purchasing system		NA	
(3) Compensation system		NA	
(4) Estimating system		NA	
(5) Any other business systems			
c. List and identify contractor-provided data other than cost or pricing data and cost or pricing data. Identify certificate of current cost or pricing data, if provided.	NA		
7. Signatures			
Include signatures of the author of the PNM, contracting officer and (as applicable) approval authority			
8. Attachments			
a. DD Form 1547 - Weighted Guidelines			
b. DD Form 1861 - Facilities Capital Cost of Money (objective only)			

c. Other attachments identified in the PNM			

53.9019 Small Business Programs.

53.9019(a) Fair Market Price (FMP) Determination.
The following format shall be used to document how the FMP was established as prescribed in 19.807-90(d).

Determination for repetitive procurements

1. IFB/RFP_____NSN_____ITEM_____

2. Base of FMP Quanity fob Unit Price Award date

_____

Current requirement: Previous procurement(s):
1)
2)
3)
Base unit price $_____

3. Adjustments (Show all calculations) + or - $

a. Quantity _____
b. EPA index (List index source, #, dates, title and values) _____
c. Transportation (List rate and source) _____
d. Delivery schedule _____
e. Packing and packaging (list rate and source) _____
f. Other (specify differing specs, terms, conditions, etc.) Net adjustment _____
(a through f above) _____

FMP for current requirement (base unit price + or - net adjustment) _____

4. Discussions _____
_____
_____
_____

5. Coordination/approval:

Contracting officer 's signature/date _____

Price analyst signature/date _____

Prepared _____Reviewed _____

Concur _____Nonconcur _____

Approved: Contracting Officer_____Date_____