**SECTION C - REQUIREMENTS**

**STATEMENT OF WORK**

**INDUSTRIAL COMPRESSED GASES AND CYLINDERS**

**In Support of All U.S. Military, Foreign Military, and Non-Military Customers**

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**1.0 INTRODUCTION AND SCOPE**

This Statement of Work (SOW) defines the scope of effort required to provide logistics support for compressed and liquefied gases and cylinders in Federal Supply Class (FSC) 6830 – Gases: Compressed and Liquefied; and 8120 – Commercial and Industrial Gas Cylinders but excluding Class I Ozone Depleting Substances (ODS). This will be a follow-on contract to contract SPM4AR-07-D-0100, dated 30 April 2007.

* 1. **CONTRACTOR REQUIREMENTS**

The Contractor shall perform/is responsible for the following:

1. Comprehensive management of compressed gases and cylinders to include planning/forecasting, order processing and fulfillment, procurement/purchasing, inventory management, quality control, shelf life management, storage, packaging, transportation/distribution, obsolescence management, data management/delivery, customer support services and material returns, managing excess Government stock and Vendor Managed Inventory (VMI) depletion.
2. Management of a pool of Government-furnished cylinders to include storage, maintenance/refurbishment, filling, distribution and disposal.
3. For the National Stock Numbers (NSNs) listed in Attachments 1 and 2: A cylinder exchange program for CONUS only to include the delivery of full cylinders to, and the pick-up of empty cylinders from, customers’ locations. Responsible for handling CONUS/OCONUS customer returns of empty and/or excess material. See Section 6.7.6 for more details. Responsible for handling discrepancies (including customer returns) associated with Product Quality Deficiency Reports (PQDR) and Supply Discrepancy Reports (SDR). See Section 6.7.6.1 for more details.
4. Responsible for establishing and maintaining direct customer interaction to facilitate order delivery and customer returns, and to promote program growth and development.
5. The Contractor shall establish a web site link that DLA may use to query the status of requisitions, request cylinder pickups/returns, and request expedited delivery.
6. In the event that a customer returns cylinders that are not eligible under the terms of the contract, the contractor will notify the Contracting Officer and provide details of the cylinders that were returned. DLA Aviation will review the cylinder descriptions and provide disposal instructions. See Section 6.7.6.2 on Disposals.

**2.0 GOVERNMENT RESPONSIBILITIES**

The Government shall:

1. Provide DLA Customer Account Specialist (CAS) points of contact (POCs) to coordinate communications with customers and provide assistance with Contractor access to customer locations.

1. Provide cylinders as Government Furnished Property (GFP) for use in the cylinder pool.
2. Maintain responsibility of alternate source approvals, surplus offers, First Article Test (FAT) requirements, Qualified Products List (QPL), Quality Assurance Letters of Instruction, Government Lot Acceptance Testing, PQDR/SDR approval, Military/Federal Specifications, Purchase Order Text (POT) (see Section 6.1), waivers and deviations, establishing new NSNs as required, maintaining the Qualified Status List (QSL), and approving Material Safety Data Sheets (MSDS)/Safety Data Sheets (SDS) and Hazardous Warning Label (HWL), origin inspection determination, and provide access to the QSL on an as needed basis.
3. Facilitate Contractor access to the Hazardous Material Information Resource System (HMIRS).

**3.0 ENVIRONMENTAL REQUIREMENTS**

1. The Contractor and its subcontractors are responsible for obtaining and maintaining all required federal, state, municipal, and international certifications, licenses, permits, registrations and approvals that may be required to perform this contract. The Contractor and its subcontractors shall possess/obtain their own, non-Government, EPA RCRA identification number(s) and follow the regulations of 40 CFR 260-280. The Contractor is responsible for reporting under EPCRA (all applicable sections), as well as providing such data or other appropriate data to the customer/installation allowing the customer/installation to meet its Federal/State/Local/DoD environmental reporting requirements.
2. Any time the Contractor communicates with or is contacted by an environmental or other regulatory agency at any level, or is required to communicate with such an agency, as it pertains to this program, it will notify the Contracting Officer within 1 business day of the communication with or contact by an environmental/regulatory entity. In addition, the Contractor will notify the Contracting Officer of any spill via e-mail within 4 hours of the spill or the discovery of the spill.
3. A spill is defined to be any release of a material from its primary container (i.e. the container that has an intimate contact with the material) that results in any loss of the material (i.e. asset), and the need to recoup, repackage, reissue or dispose of the asset whether or not the spill needs to be reported to a regulatory body under the various Federal, State, or Local environmental or occupational-safety regulations.
4. Reporting Protocol:
5. Designated Contractor POC notifies DLA AVIATION Contracting Officer via e-mail.
6. Notification occurs within 4 hours of the incident's occurrence or discovery of the

incident.

1. Notification covers asset(s) in transit to requisitioner(s) as well as in storage awaiting

distribution.

1. Notification proper to VMI as well as non-VMI assets.
2. Notification to include the following information at a minimum:
3. Identify location of incident / approximate time of incident / injuries if any
4. Identify nature of incident
5. Identify and List NSN(s), Logistics Item Name(s), Contract #(s), Unit of Issue (U/I), number of U/I(s) affected
6. Identify total quantity/volume spilled (approximation)
7. Identify collateral damage (i.e. other assets/properties affected by incident)
8. Identify actions taken to contain/remediate incident
9. Identify corrective actions to minimize and/or eliminate future incidents of type noted
10. Closing & follow-up notification within 7 calendar days of incident indicating state

of affairs relative to incident to include any and all copies (at least for VMI) of

1. All official notices sent to the various regulatory agencies where official notice

and follow up are required.

1. Contractor notifies Local/State/Federal regulatory entities and the Contracting Officer depending on the type, nature, and volume of the spill.
2. The Contractor will be responsible for any fines or penalties incurred as a result of a spill.

For reportable spills and instances of fines, penalties, and notices of violation, the Contractor shall notify the Contracting Officer within 4 hours; for all other communications or contacts with Government environmental regulators, the Contractor shall notify the Contracting Officer as soon as practicable, but in no event later than 4 hours after the communication or contact. In addition, the Contractor shall provide a copy of all documents or electronic media related to such communications or contacts to the Contracting Officer at no expense to the Government. The Contractor will not assert a privilege or other reason to withhold any such document or electronic media. This paragraph applies to all work under this contract.

**4.0 TRANSITION AND OPERATIONAL CAPABILITY**

**4.1 Transition**

Transition must be synchronized among the Contractor, DLA Distribution and DLA Aviation to ensure that customer requirements remain satisfied during the transfer with little or no disruption in customer and in accordance with an approved Transition plan.

**4.2 INITIAL OPERATIONAL CAPABILITY (IOC)**

The Contractor shall be capable of receiving and processing orders [manual and Electronic Data Interchange (EDI)] 30 days prior to receiving the first order for supplies.

**4.3 FULL OPERATIONAL CAPABILITY (FOC)**

The Contractor will have completed transition within 365 calendar days after contract award or once the Contractor assumes responsibility for individual products during transition. The Contractor shall assume responsibility for all items in Attachments 1 and 2 within the timeframes specified in its Transition Plan

**5.0 Assumption of Item Management**

The Contractor’s assumption of Item Management will begin for all items in Attachments 1 and 2 on the first day of Year 2 of the contract. Assumption of Item Management prior to the first day of Year 2 of the contract will be by bilateral modification.

**5.1 Vendor Managed Inventory (VMI)**

VMI refers to DLA owned material in the custody of Contractors that perform warehouse management responsibilities under contract with DLA. DLA will identify existing inventory which can be transferred to the Contractor as VMI. If there is residual VMI on the existing contract (SPM4AR-07-D-0100) when this contract is awarded, it will be transferred to the Contractor who will then be accountable for the VMI (Attachment 3). The contractor shall manage this property in accordance with an approved Government property management plan. The Contractor will use the VMI assets to fill requisitions. DLA will redirect the shipment(s) at the Government’s expense to the Contractor designated location (one east coast and one west coast hub locations). Subsequent shipments inside the Contractor’s network will be at the Contractor’s expense.

* 1. Inventory will be physically transferred from the Government designated locations to the Contractor for storage and distribution, as follows:
		1. Current operational and emergent worldwide support may require the redistribution of government-owned OCONUS assets to the Contractor’s CONUS facilities.
		2. Unauthorized customer returns to DLA CONUS stock locations will be examined upon receipt. CC(A) and serviceable/reparable CC(F) material will be sent to Contractor locations for storage and distribution; irreparable, unserviceable and obsolete material will be sent to DLA Disposition Services for further processing.
	2. The Government will retain title to the inventory. The Contractor must use VMI to satisfy orders until the VMI is depleted; once VMI is depleted, the Contractor shall fill orders from Contractor-owned inventory. VMI must be used only to satisfy Government demands, as identified/issued via this contract.
	3. The decision to transfer VMI to the Contractor will be made through bi-lateral agreement between the Contractor and the Government Program Office and will be accomplished in phases, as necessary. Once the Contractor has established an unconstrained commercial pipeline for product support, the Contractor will have the final determination on whether a product is acceptable and in what quantities, as VMI. In each phase, when a quantity of Government inventory is identified, the inventory will be physically transferred to the Contractor’s facility at Government expense. The Contractor will inspect, count, and reconcile the incoming inventory. A record of this transfer will be maintained by the Contractor and provided to the cognizant administration office and Contracting Officer (CO). Any questions concerning the acceptability of the incoming stock and/or the amount of inventory received will be resolved before the Contractor places the stock into its inventory and creates the record of the liability for the inventory from the Government. Stock Transfer Order (STO) Inspection & Acceptance shall be processed in accordance with Attachment 4. The Contractor will work with the CO to resolve issues regarding the receipt and acceptance of the DLA inventory. The Government will bear the expense of correction or disposal of any stock damaged prior to acceptance by the Contractor. After acceptance of the stock by the Contractor, the Contractor will be responsible for and bear the expense of any damaged containers, leaks, spills or other material releases, and any refurbishment required. Regardless of which party bears the expense, damaged VMI stock is to be disposed of in accordance with the process outlined in Section 6.7.6.2 of this SOW.
	4. The Contractor will establish accountability and manage VMI transactions IAW Section 5.0.
	5. After the Contractor accepts the transferred inventory, the Government will start routing requirements to the Contractor via EDI for the Contractor to fill from the inventory in accordance with Section 5.1.
	6. The Contractor shall be responsible and accountable for all Government inventory accepted into stock. The Contractor shall provide for preservation, protection, maintenance, repair and refurbishment of the Government inventory in accordance with sound industrial practice. The Contractor will maintain an auditable inventory of the transferred Government stock. The Government reserves the right to inspect and audit the VMI and the Contractor’s VMI records at any time during performance of the contract. The standard Government Furnished Property Clauses and Federal Acquisition Regulation (FAR) Part 45 are not applicable to this inventory.
	7. The Contractor shall submit the Contractor’s accountability property record closing balances on a monthly basis for all DLA-Owned contract items. Results of this inventory check shall be reported in accordance with Section 7.0.
	8. The Contractor shall conduct a 100% physical inventory and location survey of VMI on an annual basis. Results of this inventory check shall be reported in accordance with Section 7.0.

**5.2 ESTABLISHMENT OF CYLINDER POOL**

1. The Contractor shall be required to establish and maintain, at the Contractor’s designated location(s), a pool of Government Furnished Property (GFP) cylinders subject to FAR Part 45, the GFP Clauses of this contract, and an approved GFP plan. The pool shall consist of a sufficient quantity of various types of empty compressed gas cylinders (new cylinders, refurbished cylinders and cylinders requiring refurbishing).
2. The transfer of cylinders for the cylinder pool will be accomplished in accordance with Section 4.0; cylinders needing refurbishment or damaged in transition will be refurbished by the Contractor in accordance with Section 6.6.2. The transfer of cylinders in the cylinder pool must be accomplished within the timeframes set forth in Section 5.0.
3. GFP is established and managed offline using spreadsheet databases so no transaction sets are available to update government inventory systems while government owned property is in GFP status. Therefore, a vendor plant location will be established in the government's inventory management system to facilitate the transfer of empty cylinders from the governments wholesale depot locations and to support the procurement of additional, new cylinder inventory, necessary to maintain the vendor managed pool of GFP. In order to ensure the proper inventory accountability transaction is credited to on-hand balances at the DLA wholesale depots and to ensure that any new procurements are properly funded and receipts processed, all EDI transactions (STOs and cylinder buys) will be first processed as VMI transactions before being transferred to or from GFP accountability.
4. It is the Contractor’s responsibility to maintain adequate stock in the cylinder pool at all times in order to meet customer demands and delivery requirements. After the initial pool has been established, the stock level of empty cylinders within the pool shall be maintained primarily through customer pick-ups, refurbishment by the Contractor, as necessary, cylinder conversions, or transfer of stock from Government CONUS and OCONUS sources. As a last resort, the Government will purchase additional cylinders to replenish the pool.
5. Customer pick-ups and returns include full, empty, used, partially used, unused and excess items as listed in Attachments 1 and 2. The Contractor shall maintain an aggressive customer return program that prevents/limits the number of returns into the DLA depot system. In the event of customer returns from the DLA depots, DLA will redirect the shipment at the Government’s expense to the Contractor designated location (one east coast and one west coast hub locations). Subsequent shipments inside the Contractor’s network will be at the Contractor’s expense.

**6.0 Purchasing AND TECHNICAL REQUIREMENTS**

**6.1 ITEM DESCRIPTIONS.**

1. All materials delivered under this contract shall be provided in strict compliance with the POT requirements. The Contractor is responsible for notifying the Government if the part number or technical data, including specification and drawing revision, is different from the information cited in the POT. Until the Government has approved such a change, the Contractor shall provide the product in accordance with the POT.
2. Contractor shall receive Government approval prior to ordering material from sources other than those approved in the POT, on a source controlled drawing, or in a qualified products list.
3. A Quality Matrix is included as Attachment 5. The Quality Matrix provides information to supplement the requirements stated in the POT. In the event that a conflict exists between these documents, the POT data shall be the prevailing requirement.

**6.2 MATERIAL SAFETY DATA SHEETS (MSDS)/SAFETY DATA SHEETS (SDS)**

MSDSs/SDSs are required for all materials delivered under this contract that meet the definition of hazardous as set forth in the latest version, which is Revision E, of Federal Standard 313 (including any versions or changes adopted during the life of the contract). The Contractor should pay particular attention to paragraph 4.3 of Federal Standard 313 (Additional Information Required on MSDS/SDS). MSDSs/SDSs must be provided as specified in the contract within 10 business days of product being entered into Contractor’s inventory system or within 10 business days prior to shipment of product if shipping direct from subcontractor’s facility. After approval, all MSDS/SDSs must also be linked to the appropriate delivery order number(s).

**6.3 OSHA HAZARD COMMUNICATION LABELS/HAZARDOUS WARNING LABELS (HWLs)**

Items shall be labeled in accordance with 29 CFR 1910.1200 unless otherwise directed by 29 CFR 1910.1200 (b) (5). HWLs must be provided to the Contracting Officer or designee within 10 business days of product being entered into Vendor’s inventory system or within 10 business days prior to shipment of product if shipping direct from subcontractor’s facility.

**6.4 ELECTRONIC SUBMISSION OF MSDS/SDS DATA SET- REQUIREMENTS**

* + - 1. The Contractor will be required to link and provide the MSDS/SDS associated with each Delivery Order (DO). In addition, the Contractor will be required to provide electronically the following data-set for interfacing with DLA Aviation’s MSDS/SDS Delivery Order Application (DOA) program: NSN; Contractor Serial Number; Contract and DO Number; Source of Supply; Contractor Source of Supply CAGE; Manufacturer/Responsible Party CAGE; MSDS/SDS Responsible Party; MSDS/SDS Preparation Revision Date; Product Name.
			2. The delivery order data is to be transmitted from the Contractor electronically to the DLA MSDS/SDS Web Service site using an XML data structure in a Simple Object Access Protocol (SOAP) format. An example of the SOAP format being used can be found at:

<https://apps.aviation.dla.mil/DeliveryOrder/DeliveryOrderPort?wsdl>

1. The Contractor has the option of providing an optional file name for the transmission sent in order to confirm the accuracy of the data transmission. Upon receipt of the transmission, the Web Service will send a message acknowledging receipt. To transmit data to the Web Service requires authorized access by a company user which must be obtained through the DLA Application and Provision System (AMPS).

**6.5 ITEM TESTING AND CERTIFICATION REQUIREMENTS**

NSNs that requireGovernment or Contractor First Article Testing, Production Lot Testing, In-process inspections, Aviator’s Breathing Oxygen (ABO) testing, Origin Inspection, and gas certificates of traceability and certificates of analysis are identified in the POT and the Quality Matrix (Attachment 5). NSNs that require origin inspection are coded C or 1 in the Place of Inspection Code (PIC) field of the Quality Matrix (Attachment 5). DCMA source inspection is required for all Critical Safety Items (CSI) and other NSNS as designated by DLA Aviation. It will be the Contractor’s responsibility to contact Defense Contract Management Agency (DCMA) to schedule an inspector access to the appropriate location to support inspection in accordance with the contract.

The Contractor shall ensure any Hydrostatic Test Facilities used to perform this contract are Department of Transportation (DOT) certified. Should the Contractor change facilities or should the facility’s certificate be renewed, the Contractor shall submit a copy of the current certificate to the Contracting Officer prior to using the new or re-certified facility. Additional information concerning hydrostatic testing can be found at:

 <http://www.phmsa.dot.gov/hazmat/regs/sp-a/approvals/cylinders>

**6.6 FORECASTING AND INVENTORY MANAGEMENT**

The Contractor shall be responsible for forecasting and inventory management of all products listed on Attachment 1 for both Customer Direct (CD), Forward Stock Locations (FSLs), and other designated locations. Delivery orders will be generated to stock inventory at the FSLs. The Contractor will deliver within a 15 calendar day lead time to the CONUS point of embarkation (POE).

**6.6.1 SHELF-LIFE MANAGEMENT OF GASES AND CYLINDERS**

The Contractor’s forecasting and inventory management practices shall ensure that, upon delivery, items with a shelf-life cited in the POT will have a remaining shelf-life, as follows:

|  |  |
| --- | --- |
| **For items with a shelf-life of:** | **Upon delivery, item shall have remaining shelf-life of at least:** |
| 18 months or greater | 12 months |
| 12 months | 9 months |

Re-certification – The Contractor must insure that a rigorous program of stock screening is in place to insure proper turn-around of shelf life designated materials that is comparable to or more stringent than that currently utilized by the government. All recertification risk is borne by the vendor. The Contractor must identify, and submit to DLA Aviation for approval, the laboratories they will be utilizing for shelf life extension testing.

**6.6.2 MAINTENANCE OF CYLINDER POOL**

The Contractor shall perform cylinder maintenance and reconditioning services that are necessary to maintain the cylinders in a fully serviceable condition.

**6.6.2.1 RECONDITIONING OF U.S. GOVERNMENT OWNED CYLINDERS**

The Contractor shall perform the necessary cylinder maintenance and reconditioning services to maintain the cylinders in a fully serviceable condition. These services shall be performed as outlined in MIL-STD-1411 “Inspection and Maintenance of Compressed Gas Cylinders.” The U.S. Government shall reimburse the Contractor for services provided based on a negotiated fee-for-service rate schedule. The Contractor shall furnish all materials and replacement component parts necessary, in order to perform the authorized services listed below:

1. Stripping and Painting, to include, stripping of paint as necessary by grit blast, caustic solution, or wire brush and repainting with the proper color code, all lettering, stenciling, affixing of decals, metal lettering and/or number stamping when required by applicable regulations. Treatment and painting shall be by any method or system that will provide a finish that will meet the requirements of the item description for the reconditioned cylinder NSN.
2. Stenciling, miscellaneous (applicable to stenciling required on cylinders that do not require stripping or painting).
3. Hydrostatic testing of cylinders. Cylinders shall be tested in accordance with DOD and DOT regulations on or before the required test date or prior to the required test date when directed by contract or order. This includes valve removal, testing, indenting new test date, drying interior with air or an inert gas to a dew point consistent with the quality of the product for which the cylinder is designated, and resetting same or new valve. NOTE: At the time of solicitation the Contractor shall be required to furnish documentation substantiating that it will use a hydrostatic testing facility which is DOT certified.
4. Modified hydrostatic test, where permitted by DOT regulations. This shall also include all of the supplemental requirements listed in Section 6.6.2.1 (C).
5. Visual inspection in lieu of hydrostatic test, where permitted by DOT regulations. This shall include the removal of the valve, internal and external inspection, and resetting the same or new valve.
6. Internal drying the interior of cylinder listed in Section 6.6.2.1 (C) but not in conjunction with a hydrostatic test.
7. Internal mechanical cleaning of cylinder prior to or not in conjunction with a hydrostatic test to include flushing of particulate matter with air or water.
8. Internal chemically cleaning of cylinder to remove a hydrocarbon or other contaminant as required by applicable specifications. To include pressurization, evacuation, purging and analyzing to assure removal of all contamination.
9. Remove fractured, rusted or damaged cylinder parts, to include valve protection cap, valve, plugs and collars. NOTE: All serviceable parts, valves and fittings that are removed from the U.S. Government-owned cylinders and not reused by the Contractor shall be returned to the U.S. Government as directed by the Contracting Officer at the end of the contract.
10. Metal stamping chemical symbol of the gas on valve.
11. External visual inspection of Acetylene cylinders. This shall include preparing the external metal surface (stripping if necessary) and performing a visual inspection of all exterior surfaces and flange threads for deteriorating conditions in accordance with and not to exceed limits found in Compressed Gas Association (CGA) Pamphlet C-13.
12. Internal visual inspection of Acetylene cylinders. This shall include the removal of the valve, all fuse plugs, screen, felt pads and inspect the interior filler mass for shrinkage and deterioration in accordance with the procedures found in CGA Pamphlet C-13. Once the inspection has been completed and the cylinder found acceptable, the cylinder shall be reassembled with new felt pads and a new screen and the same or new valve. All deteriorating fuse plugs shall be replaced.
13. Remove and reclaim and/or destroy all residue of a known product prior to the reconditioning of a cylinder for refilling.
14. The following exception is taken to MIL-STD-1411B:
	1. Paragraph 5.3.2.5.3 Valve installation, in the first sentence delete “antisieze thread compound”.
	2. Paragraph 3.22 Nonshatterability identification, add “of 4130X steel” after 3AA.
	3. Paragraph 5.3.2.53 Valve installation, delete the second sentence, “A vacuum of not less than 3 inches of mercury absolute pressure must be maintained for 30 minutes”.
15. Change in Service. This shall include the conversion of cylinders IAW CGA Pamphlet C-10.
16. Ultrasonic testing. Use of ultrasonic testing is only permitted upon submission of a waiver by the Contractor and approval by DLA.
17. UNLISTED SERVICES: Permission to perform unlisted services not covered by this document must be obtained from the Contract Administrator, prior to performing the service.

**6.6.2.2 REPLACEMENT PARTS AND ACCESSORIES FOR CYLINDERS**

The Contractor shall provide the following parts and accessories as required:

1. Cylinder Valves
2. Dip tube (siphon) including retreating
3. Collar (Neck Flange)
4. Valve hood (Valve protection cap)
5. Frangible disc type pressure relief device assembly
6. Combination fusible plug-frangible disc type pressure relief device assembly
7. Plastic valve outlet cap or plug (not permitted for oxygen service)
8. Brass valve outlet cap or plug and retaining chain and clip
9. Frangible disc
10. Fusible plug in valve
11. Fusible plug in cylinder
12. Valve stem
13. Valve packing
14. Felt pads (Acetylene cylinders)
15. Acetone (Acetylene cylinders)
16. Screen (Acetylene)
17. Replace caps as required
18. Horn, hose and nipple (15 lb. CO2 Fire Extinguisher)
19. Handle (15 lb. CO2 Fire Extinguisher)
20. Mounting bracket (15 lb. CO2 Fire Extinguisher)
21. Band and faceplate (15 lb. CO2 Fire Extinguisher)

Refurbishment of NSN 6830-01-433-3717 (15-lb carbon dioxide fire extinguisher) to meet the requirements of NSN 8120-01-502-4379 is not considered a “standard” refurbishment because of the additional parts required. Because of the additional part required, refurbishment of NSN 6830-01-433-3717 shall be priced separately from the “standard” cylinder refurbishment.

The empty cylinder assembly NSN 8120-01-502-4379 shall be complete with the discharge valve assembly, discharge hose and hose assembly, nameplate band and mounting bracket in accordance with Military Specification MIL-E-24269 Class 1 Paragraphs 3.5.1 through 3.5.5. In addition, the complete cylinder assembly shall meet all requirements of MIL-E-24269 Class 1 except paragraph 3.3.1.2.

**6.6.2.3 VALVES**

1. All valves shall conform to the requirements of Commercial Item Description (CID) A-A-59860. Each valve shall have an approved outlet connection as defined in ANSI/CSA/CGA Standard V-1. Each valve shall be assembled with the appropriate pressure relief device for the gas application and the designated cylinder and its service pressure. Valve protection caps, for cylinders designed to receive such caps, shall be securely attached to the cylinders in a manner to protect the valves from damage during transport and delivery to the purchaser's receiving area.
2. All references to "MIL-DTL-2" in the 6830/8120 item descriptions should be deleted and replaced with " CID A-A-59860".
3. In accordance with paragraph 3.3 of CID A-A-59860 all valves shall be marked with the name or chemical symbol for the intended gas service.
4. The following exceptions are taken to CID A-A-59860 Commercial Item Description, Valves, Cylinder, Gas:
5. Paragraph 3.3 Marking, delete the third sentence, “The contracting agent shall provide the required nomenclature.”

**6.7 DISTRIBUTION**

**6.7.1 PACKAGING**

**6.7.1.1 METAL PALLETS.**

Contractor is required to use commercial metal pallets in lieu of pallets as specified in the contract for delivery orders shipped to 1) Anniston Army Depot, DoDAAC W3161Y, 2) Letterkenny Army Depot, DoDAAC W25G1Q, and 3) for delivery orders shipped to DoDAACs that are serviced by the Fleet and Industrial Supply Center (FISC) – San Diego. Metal pallets will be furnished to the Contractor and its subcontractor by the Depots and Fleet and Industrial Supply Center in sufficient quantities at no additional cost to DLA or the Contractor. Contractor and its subcontractor shall coordinate with Anniston Army Depot, Letterkenny Army Depot, and Fleet and Industrial Supply Center as applicable to ensure a sufficient number of metal pallets are available for use under this contract.

**6.7.1.2 CERTIFICATE OF ANALYSIS**

Certificate of Analysis reports shall be supplied with orders upon request by the customer.

**6.7.2 MARKING AND LABELING**

1. The Contractor shall label all cylinders with a weather-proof label (able to withstand exposure to weather of all kinds without damage or loss of function) that includes the following information:

RETURN TO (*insert Contractor’s name here*) IAW CHAPTER 8 of DoD 4145.19-R-2

CUSTOMER CALL CENTER # 1-877-352-2255 (DSN: 661-7766)

**6.7.3 OCONUS SEA CONTAINERS**

Upon notification from DLA Distribution that an OCONUS order requires a sea container (SEAVAN), the Government will modify the delivery order (if necessary) to reflect FOB Origin and inspection/acceptance at origin terms. DLA Aviation will retain Quality Assurance inspection and acceptance authority for OCONUS sea container orders. The Contractor shall establish and maintain the capability to stage, pack and ship SEAVANS to support filling large OCONUS stock orders. The Contractor shall provide the following information to DLA Aviation prior to DLA Aviation acceptance: contract and delivery order number to include digital pictures of the NSN(s) shipped, sea container loaded, blocked, and braced.

**6.7.4 TRANSPORTATION**

**6.7.4.1 DELIVERY**

1. The Contractor shall be responsible for shipment of all VMI and non-VMI products in accordance with 49 CFR 170-178, International Maritime Organization – International Maritime Dangerous Goods (IMO-IMDG), International Civil Aviation Organization - International Air Transport Association (ICAO-IATA), and Military Aircraft (MILAIR) [Air Force Manual (AFMAN) 24-204]. The Contractor shall be responsible for shipment of materials from its facility to the customer within CONUS; to the customer or designated Container Consolidation Points (CCPs) or Points of Embarkation (POEs) for OCONUS; or to freight forwarders for FMS orders. The Contractor shall email delivery@dla.mil for tentative destination instructions for FMS delivery orders. The Contractor shall also be responsible for transporting customer returns and discrepant orders from both CONUS and OCONUS customer locations to the Contractor’s facility (see Sections 1.1 and 6.7.6). FMS orders may remain at the Contractor’s facility for an extended period of time pending foreign country clearances.
2. MIL-AIR palletization (see MIL-STD-2073 and MIL-HDBK-774) is required for orders transported via US Military aircraft. Steel safety carts (T-carts) cannot be used.
3. Loose cylinders shall be transported in accordance with DoD 4145.19 paragraph 5.9(G)(7) and 5.9(G)(8).
4. Delivery orders for shipment to a Navy vessel will not contain a complete shipping address. The Contractor shall coordinate with the Vendor Shipment Module (Section 6.7.4.2) for the complete shipping address.

**6.7.4.2 VENDOR SHIPMENT MODULE (VSM)**

The Contractor shall use VSM to request shipping instructions for all OCONUS and FMS orders. The Contractor shall establish a VSM profile. To create a profile, access the DLA Distribution Center website (<https://vsm.distribution.dla.mil>) or contact DLA Distribution Customer Service code: TOT (1-800-456-5507)) which will assign a unique User Name and Password. Once assigned an account in VSM, the contractor will be able to access their current open purchase orders. By entering the weight and dimensions of packed ready to ship orders in VSM, Military Shipping Labels (MSL) and carrier documentation will be available to print from the website. Small parcel shipments will be available immediately; freight shipments will be available based on contractor’s submission to VSM. Contractor will pack according to the mode transport selected by the Government. Containers shall be loaded, blocked, and braced with WPM wood suitable for overseas transportation. Requests for Military Shipping Label (MSL) and shipping instructions shall be requested when order is picked, packed and ready to ship (not prior). MSL and shipping instructions should be available in VSM within 24 hours of initial shipment registry. The carriers that will be chosen by the Government will be responsible for shipping from the CCP, POE or Freight Forwarder point to the OCONUS customer destination.

FMS orders may remain at the contractor’s facility for an extended period of time (30 days or longer) pending foreign country clearances.

The Contractor shall:

* Submit Non-Hazardous and Hazardous OCONUS EDI 850 orders in an automated format to VSM WebServices
* Utilize VSM-generated MSLs or Contractor-generated MSLs, provided the Contractor-generated MSLs mirror the TCNs generated by VSM; screen labels for incorrect and missing data (e.g. invalid delivery addresses, blank required fields, quantity/weight/cube discrepancies, missing labels); coordinate updating with correct, required data
* Retain VSM transaction time stamps to substantiate Government processing and response time adjustments to delivery times and correcting the ship dates of all FSL orders (see 3.4.5.2(D)).
* For OCONUS orders, screen and flag VSM responses for instructions to ship HazMat to New Cumberland or Calcium Hypochlorite to Norfolk, instructions to ship packages and containers in excess of 30,000 lbs, instructions to ship to PO Boxes, and responses with incomplete ship-to address information
* Manually process sea container shipments

Provide adequate warehouse space to accommodate VSM hold material at no additional cost to the Government

**6.7.5 PERFORMANCE REQUIREMENTS**

**6.7.5.1 FILL RATE METRIC**

The Fill Rate metrics will be measured and monitored on a monthly basis;

1. Although the Contractor is required to meet the TDD standards outlined in Section 6.7.5.2 below, the Fill Rate Metric measurement will be based on ship date rather than delivery receipt date.

|  |
| --- |
| **FILL RATE MEASUREMENTS** |
|  | **CONUS and****OCONUS Shipment to CCPs/Ports of Embarkation** |
| **Issue Priority Designator (IPD)** | **Issue Priority Group (IPG)** |  |
| Priority 01 – 03 | IPG 1 (High Priority) | 2 Business Day |
| Priority 04 – 08 | IPG 2 | 3 Business Day |
| Priority 09 – 15 | IPG 3 |  4 Business Days |

1. Performance tracking will start upon the issuance of the first delivery order, will be tracked on a monthly basis throughout the entire performance period and evaluated at the end of each performance period to determine compliance with the metric and overall level of performance. The initial performance period will start one year after date of contract award. Subsequent performance periods will be one year each.

**6.7.5.2 TIME DEFINITE DELIVERY REQUIREMENTS**

The Contractor shall ensure each order is satisfied within the following Time Definite Delivery (TDD) requirements:

|  |
| --- |
| **TDD DELIVERY STANDARDS** |
| **Issue Priority Designator (IPD)** | **Issue Priority Group (IPG)** | **FOB Destination** |
| Priority 01 – 03 | IPG 1 (High Priority) | 6 Days |
| Priority 04 – 08 | IPG 2 | 10 Days |
| Priority 09 – 15 | IPG 3 | 15 Days |

A. High Priority Orders. High priority Customer Direct (CD) requirements are identified by Military Standard Requisitioning and Issue Procedures (MILSTRIP) Issue Priority Designator (IPD) Codes 01, 02 and 03.

B. Routine Priority Orders. Routine CD requirements are identified by MILSTRIP IPD Codes 04 through 15.

1. The Contractor has successfully filled a CONUS demand when, after receipt of an electronic requisition, the customer has received a product at the customer designated location within the specified TDD standards. The Contractor has successfully filled an OCONUS/FMS demand when, after receipt of an electronic requisition, the Contractor has delivered a product to the designated CCP, POE, freight forwarder, or OCONUS POE for OCONUS customer direct orders within the specified TDD standards. Partial deliveries shall not constitute compliance with the delivery requirement.

**6.7.5.3 BACKORDERS**

Any order not shipped complete within the required Fill Rate metric shall be classified as a backorder. Backordered Delivery Orders will be included in the Delivery Disincentive.

**6.7.5.4 INACTIVE MATERIAL**

NSNs contained on Attachment 2 exempt from the Fill Rate metrics.

**6.7.6 NONCONFORMING AND DISCREPANT MATERIAL**

The Contractor shall maintain a process to handle customer returns and complaints. The Contractor shall respond to the customer within 72 hours after receiving the request.

**6.7.6.1 PRODUCT QUALITY DEFICIENCY REPORTS (PQDR) AND SUPPLY DISCREPANCY REPORTS (SDR)**

The successfulContractor shall implement its proposed plan for handling PQDRs and SDRs reported by customers. The Contractor is required to obtain and maintain WEBSDR access at:

<https://www.transactionservices.dla.mil/daashome/websdr.asp>

The Contractor shall ensure, in executing this contract, it thoroughly and timely investigates and resolves these and any other issues relating to nonconforming or discrepant material. The Contractor shall submit its recommended resolution into the WEBSDR system within 15 calendar days of being notified of the SDR by the customer. The Contractor shall track PQDR and SDR receipts and resolution, and shall include this information in the annual Performance Review Board (PRB). The Contractor shall be responsible for picking up and refurbishing or replacing any material requiring refurbishment or replacement, and for delivery of conforming goods to the customer. The gas returned to the Contractor under a PQDR or SDR shall remain the property of the Contractor; however the cylinder shall be returned to the GFP pool.

The Contractor shall replace non-conforming material with conforming material immediately upon notification of the discrepancy.

**6.7.6.2 DISPOSALS**

The Contractor shall not accumulate material subject to waste classification (e.g. shelf life expired material that cannot be extended or is in a damaged cylinder) beyond 90 days unless the Contractor possesses a RCRA Part B operating permit for long term storage. Storage (RCRA generator accumulation) beyond 90 days for generators without a Part B permit can subject the generator to the rules regarding establishment of a Solid and Hazardous Waste Management Unit (SHWMU), and potentially facility wide corrective action.

Disposal and sale of the scrap metal generated shall be the responsibility of the Contractor. The Contractor is authorized to retain proceeds from the sale of scrap metal, but must report sales and proceeds on a quarterly basis (Section7.0).

**7.0 REPORTING REQUIREMENTS**

1. The Contractor shall provide the following in auditable reports via e-mail to the Contracting Officer, or designated representative, on an individual occurrence basis during the period of performance of the contract:
	1. Weekly: The Contractor shall provide a Consolidated Delivery Tracker the provides at a minimum, the Gas Description, Order Seq Number, NSN, Customer Document Number, Ship To DoDAAC, Order Quantity, Order Receipt Date, Order Delivery Date, Actual Delivery Date, Delivered Quantity, Delivered To and For Transshipment To, information. Additional delivery information may be requested as needed. See Attachment 7.
	2. Monthly: The Contractor shall provide an inventory of all full cylinders, all empty cylinders, and all cylinders awaiting refurbishment. This inventory shall include (by gas product: the appropriate NSN (full or empty cylinder), gas service, cylinder size and pressure rating, the monthly forecasted consumption (recalculated at least quarterly). The Contractor will ensure that the quantity of cylinders supporting each gas product add up regardless of status (full, empty, awaiting refurbishment) or pressure rating. Any cylinder that is refinished or repainted to fulfill the expressed needs of the cylinder pool must be accounted for on the inventory sheet as a gain for one NSN, and as a loss for another NSN to account for the transfer. Additional inventory management information may be requested as needed. See Attachment 8.
	3. Monthly: The Contractor shall provide a refurbishment report that contains the NSN, cylinder number, and list of services performed on each cylinder. Data for GFP and VMI shall be reported on separate tabs. See Attachment 9.
	4. Monthly: The Contractor shall provide a Condemned Property Report that contains the necessary information for the Contracting Officer to make a determination on the proper disposition of the property. Data for GFP and VMI shall be reported on separate tabs. See Attachment 10.
	5. Monthly: The Contractor shall provide an updated Stock Transfer Order (STO) Master Report on a monthly basis to identify updates to open STOs for the transfer of material from DLA to the Contractor. See Attachment 11.
	6. Monthly: The Contractor shall submit month-end closing balances of VMI in a Comma Separated Value (csv) file format to the Contracting Officer within 3 business days following the end of the month. At a minimum, closing balance book records will list: FSC, NIIN, Condition Code, Unit of Issue, Item Name, Balance On-Hand at 11:59 PM EST on the last day of the month, Plant Code, RIC and Storage Location Code, DoDAAC and date prepared. See Attachment 12.
	7. Monthly: The Contractor shall provide a Customer Returns Report that contains the date material was received, customer (to include DoDAAC and location), BOL number (TCN for OCONUS returns), NSN, NSN description, quantity, condition code and corresponding 6830 NSN. See Attachment 13.
	8. Quarterly: The Contractor shall provide a report to track resolution of PQDRs and SDRs. This report shall include PQDR/SDR number, date of PQDR/SDR, date PQDR/SDR received by Contractor, Customer, Customer Requisition number, NSN, quantity, reported discrepancy, disposition of material, Contractor resolution and date of projected/final resolution.
	9. Quarterly: The Contractor shall provide a Scrap Sales Report that includes the date of sale, description of scrap sold, and proceeds. Data for GFP and VMI shall be reported on separate tabs.
	10. Annually: The Contractor shall submit an Annual Physical Inventory Report that reports 100% inventory of all remaining VMI to the Contracting Officer within 3 business days following the end of the Government’s fiscal year (September 30). At a minimum the report shall include FSC, NIIN, Item Name, Location, Unit of Measure, Date, and Count and Condition. See Attachment 14.

**8.0 ADDITION/DELETION OF ITEMS**

Additional items may be added to this initiative if the Government determines support for those items are within the original scope and intent of this effort, and is in the best interest of the Government to support the customers.

1. Items added to this contract will be priced in accordance with a pricing methodology to be negotiated during Transition.
2. Items will be added to the contract by bilateral modification, if possible, provided that the parties agree on a price within the time frames established in the pricing methodology. If the parties are not able to agree on a price, the items will be added by unilateral modification, at a price established by the Government. The unilaterally established price determination will be subject to appeal, pursuant to the Disputes provision of the contract.
3. The contractor shall continue to honor orders for any deleted items until issuance of the modification that deletes them, or for any duration specified by that modification. Deletion of items under this provision is not subject to the Termination for Convenience provision of this contract and will not otherwise result in any liability by the Government to the contractor.

**9.0 END OF CONTRACT SUPPORT**

Upon expiration or termination of the contract, the Contractor will provide the Government all requested demand, forecast, and spend data and information necessary to prepare a follow-on solicitation. The Contractor may also be asked to provide supplier information. The Contractor may also be asked to participate in meetings with the Government and the new contractor to ensure an orderly transition from the old contract to the new contract.

**10.0 CONTRACT EXPIRATION**

Upon contract expiration, the Government will not purchase from the Contractor any inventory purchased by the Contractor to support the requirements of this contract. The Contractor may negotiate a commercial sale to the successor contractor, but the Government disclaims any responsibility or obligation to facilitate any such sale.

The Contractor shall continue to comply with the delivery requirements of this contract for all orders received up to the expiration date.

**11.0 CONTRACT TERMINATION**

If the contract is terminated prior to the expiration date, the Contractor shall return all VMI and GFP to a designated location to be determined by the Government and at the expense of the Government. This shall be accomplished within thirty (30) days of the Government location identification. The Government reserves the right to buy any inventory purchased by the Contractor in support of this contract, at the contract price. The Contractor will also be responsible for providing all data, transfer records, and reports listed in Section 7.0.

*(End of Section C)*

**SECTION J – ATTACHMENTS**

Attachment 1: Schedule B1 – Active NSNs & Unit Pricing

Attachment 2: Schedule B2 – Inactive NSNs

Attachment 3: Schedule B3 – STO Inspection & Acceptance

Attachment 4: Schedule B4 – Current VMI

Attachment 5: Schedule B5 - Quality Matrix

Attachment 6: Schedule B6 – Surge & Sustainment NSNs

Attachment 7: Schedule B7 –Weekly Delivery Order Tracker

Attachment 8: Schedule B8 – Monthly Inventory Report

Attachment 9: Schedule B9 – Monthly Refurbishment Report

Attachment 10: Schedule B10 – Monthly Condemned Property Report

Attachment 11: Schedule B11 – Stock Transfer Order (STO) Master Report

Attachment 12: Schedule B12 – Monthly VMI report

Attachment 13: Schedule B13 – Monthly Customer Returns Report

Attachment 14: Schedule B14 – Yearly VMI Report

Attachment 15: Schedule B15 – Refurbishment & Disposal Services & Pricing

Attachment 16: Schedule B16 – Minimum & Maximum Delivery Order Quantities

Attachment 17: Purchase Order Text (POT)

Attachment 18: Demand Data

Attachment 19: Five Year Requisition History

Attachment 20: Forward Stock Locations (FSL)

Attachment XX: Contractor Observed Holidays *(to be incorporated upon award*)

Attachment XX: Contractor Approved Surge Plan *(to be incorporated upon award)*