

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE OF PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY	CODE	7. ADMINISTERED BY (If other than Item 6)	CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	<input checked="" type="checkbox"/>	9A. AMENDMENT OF SOLICITATION NO.
	<input type="checkbox"/>	9B. DATED (SEE ITEM 11)
	<input type="checkbox"/>	10A. MODIFICATION OF CONTRACT/ORDER NO.
	<input type="checkbox"/>	10B. DATED (SEE ITEM 13)
CODE	FACILITY CODE	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
15C. DATE SIGNED	16C. DATE SIGNED
(Signature of person authorized to sign)	(Signature of Contracting Officer)

CONTINUATION PAGE FOR SPE4A2-16-R-0001, Amendment 01:**1. Replace the following language on page 3 of the RFP:**

The solicitation and all attachments will be posted at the following site:

<http://www.dla.mil/Aviation/Offers/Products/ChemPetroGassesCylinders/AVIPVGenIII.aspx>

WITH

The solicitation and all attachments will be posted at the following site:

<http://www.dla.mil/Aviation/Offers/Products/Commodities/AVIPVGenIII.aspx>

2. Replace the following language on page 4 of the RFP:

The Schedule of Items (SOI) can be acquired by accessing the DLA Aviation Website at (website TBD) or by request from the Point of Contact for this acquisition listed at SF 1449 Block 7. There are approximately 36,000 items in the initial SOI for the Generation III Air Force IPV.

WITH

The Schedule of Items (SOI) can be acquired by accessing the DLA Aviation Website at (<http://www.dla.mil/Aviation/Offers/Products/Commodities/AVIPVGenIII.aspx>) or by request from the Point of Contact for this acquisition listed at SF 1449 Block 7. There are approximately 45,000 items in the initial SOI for the Generation III Air Force IPV.

3. The following clause is added to the RFP:

FAR 52.251-1, Government Supply Sources

4. Replace the following language on page 90 of the RFP:**4.1.1 Bench Stock Location at Contract Start-Up**

For the purpose of this acquisition/program, Point-of-Sale (POS) is defined as bin placement. It is at this point that the ownership of material transitions from vendor-owned to Air Force owned and the “sale” is recorded. The Contractor’s proposal and implemented POS solution must not take the mechanic away from their work station and cannot create mechanic queue times. The POS solution at contract start-up must utilize the existing BSLs and bench stock storage units (bins, racks, etc.) The Contractor’s shall capture and report the following data within their Management Information System:

- Bin and shop location for each bin replenishment
- Any bench stock location outages (FPA failure)
- MWT for all reported outages
- Closure of each outage when mechanic demand is satisfied

The Contractor shall provide and maintain an electronic system for reporting MWT instances by the Government. The mechanic will report outages to their Production Superintendent who will immediately notify the DLA COR. Any reported outages shall only be reported and documented once. Only one instance per bin can be counted against the metric. The Contractor will not be charged another FPA or MWT failure if a mechanic demand is placed upon the same bin. Only after

the next fill/depletion cycle will the Contractor incur another FPA or MWT failure on the same bin. Multiple failures can be reported against the same NSN if located in different bin locations. The data collected from the Contractor shall be reported to the Government as specified in the Deliverables section of this PWS. In the event of a FPA or MWT failure, the Contractor shall record the wait time for resolution and provide a daily report to the Government of all instances of FPA and MWT failure.

WITH

4.1.1. Bench Stock Location at Contract Start-Up

For the purpose of this acquisition/program, Point-of-Sale (POS) is defined as bin placement. It is at this point that the ownership of material transitions from vendor-owned to Air Force owned and the “sale” is recorded.

The Contractor’s proposal and implemented POS solution must not take the mechanic away from their work station and cannot create mechanic queue times. The POS solution at contract start-up must utilize the existing BSLs and bench stock storage units (bins, racks, etc.)

The Contractor shall capture and report the following data within their Management Information System:

- Bin and shop location for each bin replenishment
- Unique AF Employee identifier
- Any bench stock location outages (FPA failure) including date and start time
- MWT for all reported outages
- Closure of each outage when mechanic demand is satisfied

The Contractor shall provide and maintain an electronic system for reporting FPA instances by the Government and tracking time from opening to closing the instance. The mechanic or Government representative will report FPA instances utilizing this electronic system. This electronic system will notify the DLA COR of all instances of FPA failure. Any reported outages shall only be reported and documented once per mechanic per bin. Only one instance per mechanic per bin can be counted against the metric. The Contractor will not be charged another FPA failure if the same mechanic places a demand upon the same bin until the bin has been filled and the original FPA failure closed. Only after the next fill/depletion cycle will the Contractor incur another MWT failure on the same bin. Multiple failures can be reported against the same NSN if located in different bin locations.

The data collected from the Contractor shall be reported to the Government as specified in the Deliverables section of this PWS. In the event of a FPA or MWT failure, the Contractor shall record the wait time for resolution and provide a daily report to the Government of all instances of FPA and MWT failure.

5. Replace the following language on page 93-95 of the RFP:

5.1 Primary Metric: First Pass Acceptance

The Contractor shall achieve a 99.5% FPA rate for bench stock locations and kits, defined as 99.5% of items available at the time of demand from the mechanic. FPA will not apply to BSLs supporting kitting location and will instead be measured at the time of kit delivery. An FPA failure is defined as material not available to the mechanic, or in the right quantity, at the time of demand. For example, the bin or designated storage unit is empty, or there is a limited amount of material left in a bin or designated storage unit to satisfy the mechanic's current need for material. For kitting, an FPA failure is when a kit is not delivered to the customer upon demand or when a kit must be accepted incomplete. The key aspects of FPA are the expectation the Contractor is well synchronized with the customer to anticipate production demands and the Contractor is managing the supply chain in order to provide material at the correct time and in the correct quantities. A disincentive will apply for failure to meet the 99.5% FPA metric. FPA metric failures will be measured by the aggregate number of government reported material outages within a reporting period. The first FPA evaluation date will be one month after site activation and subsequent FPA evaluations will be monthly thereafter.

It is the Air Force's responsibility to notify the Contractor of an FPA failure (via the electronic system established by the Contractor), which will be verified by the DLA COR. The mechanic will notify their immediate shop supervisor who will, in turn, notify the DLA COR.

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The Contractor will be incentivized to achieve FPA greater than 99.5%.

5.1.1 Measurement

FPA is the percentage of material/kit demands, on a per bin/kit basis, for which the Contractor is responsible that were completed in their entirety. If the bins/kits containing replenishment parts contain only parts not meeting quality assurance standards, this will be considered as a FPA failure that impacts production. FPA is measured as 'one hit per bin/kit' meaning, if a bin/kit remains unfilled and an FPA has already been recorded, the Contractor will not be charged another FPA failure if a mechanic demand is placed upon the same bin/kit. Only after the next fill/depletion cycle will the Contractor incur another FPA failure on the same bin. Kit fulfillment and completion will be measured as the number of kit requests that were satisfied with fully available, complete kits. For kits, a demand failure is defined as a kit not being available or does not contain all items listed on the List of Material (LOM) at the time the mechanic requests it. Performance measurement for FPA will begin at site activation and will be measured on a monthly basis for the ALC sites.

FPA will be applied on an annual basis as the average of the monthly FPA % to determine the incentive / disincentive. The incentive will be calculated and assessed against the Level of Support CLIN. The disincentive will be calculated against the Management CLIN and subsequently assessed against the Level of Support CLIN. The incentive /disincentive will be added or deducted from the monthly payment following completion of calculation of the incentive /disincentive to be applied at the conclusion of each performance period. (Reliance on DLA as a source of supply does not relieve the Contractor of the metric requirement with the exception of items identified as mandatory DLA sourced).

5.1.2 Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the FPA calculation until the lead-time of record has expired. Kits that are provided or must be accepted as incomplete by the Air Force Production Support Section (WSSC/EPSC) Chiefs or their designated representative due to missing or new items within the first lead-time are not considered a failure to meet kitting contractual requirements.

The Contractor may challenge any instance of FPA failure resulting from unavailability of DLA-mandatory sourced items. The Contractor shall provide evidence to the contracting officer that appropriate planning and supply chain management actions were taken to meet the 99.5% FPA requirement. The contracting officer will conduct a thorough investigation and render a decision. The Contractor must notify the contracting officer of any disputed FPA failures due to unavailability of DLA -mandatory sourced items within 30 days of the end of the evaluation period. Failure to notify the contracting officer within that time will result in the FPA failure being deemed to be accurate and correct.

5.2 Secondary Metric: Mechanic Wait Time (MWT)

The number of hours it takes the Contractor to remedy an FPA failure is called Mechanic Wait Time (MWT). The Contractor shall remedy every instance of 99.5% FPA failure within 24 business hours throughout the entire contract period. A tiered disincentive will be applied on all MWT instances that exceed 24 hours and MWT will be measured per bin/kit.

A separate 8-hour MWT metric will apply to no more than 10% of Bench Stock Locations across all three sites identified as critical to support of the customer. The number of bench stock locations may be calculated at each site and then applied at a single site or it may be calculated at all three sites and divided as the AF chooses across all three sites. The aggregate application of MWT at a single site will not exceed 10% in the instance that the other two sites do not apply an 8-hr metric. These work areas require a more stringent MWT metric, based on workload and planning. These work areas will be identified by the Air Force. The MWT for these work areas will be calculated separately, per incident, and a tiered disincentive identified in the Special Contract Requirements section of the RFP applied. MWT begins when the Government notifies the Contractor POC via their electronic notification system and ends upon Contractor satisfaction of mechanic demand as verified by the DLA COR/TA. The Contractor will provide estimated total wait time to the customer as soon as it is available.

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The MWT evaluation date will be upon activation of each site and subsequent MWT evaluations will be monthly thereafter. MWT is measured as ‘one hit per bin/kit’ meaning once a bin/kit is not filled, the MWT will be recorded. Subsequent demands from a different mechanic will not drive additional MWT instances. Only after the next fill/depletion cycle will the Contractor incur another MWT on the same bin/kit.

5.2.1 Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the

MWT calculation until the lead-time of record has expired.

WITH

5.1 Primary Metric: First Pass Acceptance

The Contractor shall achieve a 99.5% FPA rate for bench stock locations and kits, defined as 99.5% of items available at the time of demand from the mechanic. FPA will not apply to BSLs supporting kitting location and will instead be measured at the time of kit delivery. An FPA failure is defined as material not available to the mechanic, or in the required quantity, at the time of demand. For example, the bin or designated storage unit is empty, or there is a limited amount of material left in a bin or designated storage unit to satisfy the mechanic’s current need for material. For kitting, an FPA failure is when a kit

is not delivered to the customer upon demand or when a kit must be accepted incomplete. The key aspects of FPA are the expectation the Contractor is well synchronized with the customer to anticipate production demands and the Contractor is managing the supply chain in order to provide material at the correct time and in the correct quantities.

A disincentive will apply for failure to meet the 99.5% FPA metric. FPA metric failures will be measured by the aggregate number of government reported material outages within a reporting period.

The first FPA evaluation date will be one month after site activation and subsequent FPA evaluations will be monthly thereafter.

It is the Air Force's responsibility to notify the Contractor of an FPA failure (via the electronic system established by the Contractor or the automated bin / automated system), which will be verified by the DLA COR. The system will notify the DLA COR.

The Contractor will be incentivized to achieve FPA greater than 99.5%.

5.1.1. Measurement

FPA is the percentage of success in fulfilling material demands, measured on a per mechanic per bin basis or per kit per mechanic basis. The FPA percentage is calculated as the number of unsuccessful attempts by all mechanics to obtain a part or kit from a bin divided by the sum of the total non-automated part / kit bins supported as well as the number of instances in which a mechanic requests a part from the automated bins or automated system during the month. For example, if the mechanics request parts / kits from automated bins / automated systems 5,000 times during the month and the contractor is supporting 200,000 non-automated part / kit bins, the denominator will be 205,000. FPA will be calculated separately for each ALC on a monthly basis. For kits, an FPA failure is defined as a kit that is not available, does not contain all items listed on its List of Material (LOM), or contains non-conforming material.

Performance measurement for FPA will begin at site activation and will be measured on a monthly basis for the ALC sites. FPA will be applied on an annual basis as the average of the monthly FPA % to determine the incentive / disincentive and will be calculated annually. The incentive / disincentive will be calculated against the Level of Support CLIN and added to / deducted from the Level of Support CLIN payment. The incentive / disincentive will be added or deducted from the monthly payment following completion of calculation of the incentive / disincentive to be applied at the conclusion of each annual performance period.

5.1.2 Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the FPA calculation until the lead-time of record has expired.

Kits that are provided or accepted as incomplete by the Air Force Production Support Section (WSSC/EPSC) Chiefs or their designated representative due to missing or new items within the first lead-time are not considered a failure to meet kitting contractual requirements.

The Contractor may challenge any instance of FPA failure resulting from unavailability of DLA-mandatory sourced items. The Contractor shall provide evidence to the contracting officer that appropriate planning and supply chain management actions were taken to meet the 99.5% FPA requirement. The contracting officer will conduct a thorough investigation and render a decision. The Contractor must notify the contracting officer of any disputed FPA failures due to unavailability of DLA-mandatory sourced items within 30 days of the end of the evaluation period. Failure to notify the contracting officer within that time will result in the FPA failure being deemed to be accurate and correct.

5.2 Secondary Metric: Mechanic Wait Time (MWT)

The number of hours it takes the Contractor to remedy an FPA failure is called Mechanic Wait Time (MWT). MWT is calculated as the time it takes the Contractor to fill a bin once it has an FPA failure, measured as the difference between the time the first FPA failure for a bin is reported to the Contractor and when all FPA failures for the bin have been remedied by the Contractor as verified by the COR. The contractor shall remedy every instance of FPA failure within 24 hours throughout the entire contract period. Note: A separate 8-hour MWT metric will apply to no more than 10% of Bench Stock Locations across all three sites identified as critical to support of the customer. The number of bench stock locations may be calculated at each site and then applied at a single site or it may be calculated at all three sites and divided as the AF chooses across all three sites. A tiered disincentive will be applied per bin / kit on which an FPA failure occurs that exceeds that 8 or 24 hour metric. An additional disincentive will apply for every 30 days in which an MWT bin / kit instance remains open. The MWT evaluation will begin upon site activation and subsequent MWT evaluations will be monthly thereafter.

MWT begins when the Government notifies the Contractor POC via their electronic notification system of an FPA bin / kit failure and ends upon Contractor satisfaction of all mechanic demand for the bin / kit as verified by the DLA COR/TA. The Contractor will provide estimated total wait time to the customer as soon as it is available.

The MWT evaluation date will be upon activation of each site and subsequent MWT evaluations will be monthly thereafter. MWT is measured as ‘one hit per bin/kit’ meaning once a bin/kit is not filled, the MWT will be recorded. Subsequent demands from a different mechanic will not drive additional MWT instances. Only after the next fill/depletion cycle will the Contractor incur another MWT on the same bin/kit.

5.2.1 Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the MWT calculation until the lead-time of record has expired.

6. Replace the following language on page 103-104 of the RFP:

10.2 Daily Reports

- *Bin Delivery Report* –Site, Work Center/RCC, BSL or Machine (as appropriate), Bin; NSN and Part Number
- Delivered, Quantity Delivered, Date/Time Delivered, Item Price

- *Kit Delivery Report* –Site, Bldg, Work Center/RCC, Kit Number, Date/Time Delivered, Quantity Delivered, Missing
- NSN(s)/Part Number(s), Get Well Date for missing NSN(s), % of Individual Kit Built, Employee Number of
- Acceptor, Item Price
- *Metrics Report* –Site, Work Center/RCC, BSL or Machine (as appropriate), Bin/Kit, NSN(s) and Part Number(s)
- causing FPA, Initial FPA Date/Start Time, Expected GWD, Cumulative FPA time, MWT start, Cumulative MWT
- *Bin-to-Bin Transfers Report* – Date/Time, Bin From – Site, Work Center/RCC, BSL or Machine (as appropriate), NSN and Part Number; Bin To – Site, Work Center/RCC, BSL or Machine (as appropriate)

10.3 Weekly Reports

- *Weekly Cycle Count Report (AutoCrib Only)* – Date/Time, Site, Work Center/RCC, BSL or Machine (as appropriate), Bin; NSN and Part Number, AutoCrib Machine Bin Totals (what’s in each bin), Actual Count, Name
- of Employee/Employee Number
- *DLA Backup Report* – Date/Time, Site, Work Center/RCC, Bldg, NSN and Part Number, Unit of Measure, Quantity, Reason

10.4 Monthly Reports

- *Bin Delivery Summary Report* (This is a monthly roll-up report of the daily report) - Site, Work Center/RCC, Bldg,

BSL or Machine (as appropriate), Bin, NSN and Part Number Delivered, Month Total Delivered, Average Monthly Consumption, Item Price; *Note: Rolling historical consumption must be maintained by contractor*

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- *Kit Delivery Summary Report* (This is a monthly roll-up report of the daily report) –Site, Bldg, Work Center/RCC,
- Kit Number, Missing NSN(s) and Part Number(s), Get Well Date for missing NSN(s); % of Kit Built, Employee
- Number of Acceptor, Date/Time Delivered, Item Price
- *Demand Forecasting Report* – NSN and Part Number, Monthly Demand History for the Last 2 - 5 Years, Monthly
- Forecast, Forecasting Model Used, Forecast Accuracy, Stock Outs or Projected Stock Outs Compared to the
- Supply On-hand and/Due in, Number of Backorders Per NSN and Priority, Unit of Issue
- *Metrics Summary Report* (This is a roll-up report from the daily report) - Site, Site Total Monthly FPA, Site Total
- Monthly MWT---this support data will be provided in a separate tab for each ALC; Site, Work Center/RCC, BSL or
- Machine (as appropriate), Bin; NSN or Kit Number then NSN(s) Causing Metric, Source of Supply, Initial FPA
- Date/Time, Initial FPA Date/Time, Expected GWD, Cumulative Monthly MWT and FPA

- *Open Orders Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part Number,
- Date/Time Opened, Get Well Date
- *PQDR/SDR Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part Number, Date,
- Problem, Resolution, Get Well Date
- *Recommended Deletion Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part
- Number, Delivery History, Reason for Deletion Recommendation
- *Obsolete and Replacement NSNs Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin,
- Obsolete NSN and Part Number, Obsolete Date, Replacement NSN and Part Number, Source, Health of NSN,
- Get Well Date
- *Supportability Analysis* - (See Section 6.2)
- *Inventory Report* – (Contractor inventory on hand to include on site, off-site) – Site, NSN and Part Number,
- Quantity On Hand, Quantity Due In (until next report)
- *IPV Contact List* - Name, position, contact number, email, date on contract
- *ALT/PLT for Commercial Sourced Items* – NSN and Part Number, ALT/PLT
- *Shelf-life Management Report* – Date in Bin, Shelf Life at Bin Placement (# of days, months, etc.), Remaining
- Shelf Life (# of days, months, etc.)
- *Returns Report* – Site, NSN and Part Number, Quantity, Reason for Return
- *Kit Returns Report* – Using Work Center/RCC, Kit Number, Date/Time Delivered, Date/Time Returned, Consumed NSN(s)/Part Number(s), Quantity; Missing NSN(s)/Part Numbers, Quantity

WITH

10.2 Daily Reports

- *Bin Delivery Report* –Site, Work Center/RCC, BSL or Machine (as appropriate), Bin; NSN and Part Number Delivered, Quantity Delivered, Date/Time Delivered, Item Price
- *Kit Delivery Report* –Site, Bldg, Work Center/RCC, Kit Number, Date/Time Delivered, Quantity Delivered, Missing NSN(s)/Part Number(s), Get Well Date for missing NSN(s), % of Individual Kit Built, Employee Number of Acceptor, Item Price
- *Metrics Report* –Site, Work Center/RCC, BSL or Machine (as appropriate), Bin/Kit, NSN(s) and Part Number(s) causing FPA, Initial FPA Date/Start Time, Expected GWD, Cumulative FPA time, MWT start, Cumulative MWT, Unique AF Employee Identifier.
- *Bin-to-Bin Transfers Report* – Date/Time, Bin From – Site, Work Center/RCC, BSL or Machine (as appropriate), NSN and Part Number; Bin To – Site, Work Center/RCC, BSL or Machine (as appropriate)

10.3 Weekly Reports

- *Weekly Cycle Count Report* (AutoCrib Only) – Date/Time, Site, Work Center/RCC, BSL or Machine (as appropriate), Bin; NSN and Part Number, AutoCrib Machine Bin Totals (what's in each bin), Actual Count, Unique AF Employee Identifier

- *DLA Backup Report* – Date/Time, Site, Work Center/RCC, Bldg, NSN and Part Number, Unit of Measure, Quantity, Reason

10.4 Monthly Reports

- *Bin Delivery Summary Report* (This is a monthly roll-up report of the daily report) - Site, Work Center/RCC, Bldg, BSL or Machine (as appropriate), Bin, NSN and Part Number Delivered, Month Total Delivered, Average Monthly Consumption, Item Price; *Note: Rolling historical consumption must be maintained by contractor*
- *Kit Delivery Summary Report* (This is a monthly roll-up report of the daily report) –Site, Bldg, Work Center/RCC, Kit Number, Missing NSN(s) and Part Number(s), Get Well Date for missing NSN(s); % of Kit Built, Employee Number of Acceptor, Date/Time Delivered, Item Price
- *Demand Forecasting Report* – NSN and Part Number, Monthly Demand History for the Last 2 - 5 Years, Monthly Forecast, Forecasting Model Used, Forecast Accuracy, Stock Outs or Projected Stock Outs Compared to the Supply On-hand and/Due in, Number of Backorders Per NSN and Priority, Unit of Issue
- *Metrics Summary Report* (This is a roll-up report from the daily report) - Site, Site Total Monthly FPA, Site Total Monthly MWT---this support data will be provided in a separate tab for each ALC; Site, Work Center/RCC, BSL or Machine (as appropriate), Bin; NSN or Kit Number then NSN(s) Causing Metric, Source of Supply, Initial FPA Date/Time, Closed FPA Date/Time, Expected GWD, Cumulative Monthly MWT and FPA, Unique AF Employee Identifier.
- *Open Orders Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part Number, Date/Time Opened, Get Well Date
- *PQDR/SDR Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part Number, Date, Problem, Resolution, Get Well Date
- *Recommended Deletion Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, NSN and Part Number, Delivery History, Reason for Deletion Recommendation
- *Obsolete and Replacement NSNs Report* - Site, Work Center/RCC, BSL or Machine (as appropriate), Bin, Obsolete NSN and Part Number, Obsolete Date, Replacement NSN and Part Number, Source, Health of NSN, Get Well Date
- *Supportability Analysis* - (See Section 6.2)
- *Inventory Report* – (Contractor inventory on hand to include on site, off-site) – Site, NSN and Part Number, Quantity On Hand, Quantity Due In (until next report)
- *IPV Contact List* - Name, position, contact number, email, date on contract
- *ALT/PLT for Commercial Sourced Items* – NSN and Part Number, ALT/PLT
- *Shelf-life Management Report* – Date in Bin, Shelf Life at Bin Placement (# of days, months, etc.), Remaining Shelf Life (# of days, months, etc.)
- *Returns Report* – Site, NSN and Part Number, Quantity, Reason for Return
- *Kit Returns Report* – Using Work Center/RCC, Kit Number, Date/Time Delivered, Date/Time Returned, Consumed NSN(s)/Part Number(s), Quantity; Missing NSN(s)/Part Numbers, Quantity

7. Replace the following language on page 46-49 of the RFP:

H-902 FIRST PASS ACCEPTANCE (FPA) METRIC

Primary Metric: First Pass Acceptance

The Contractor shall achieve a 99.5% FPA rate for bench stock (bins and kits), defined as 99.5% of items available at the time of demand from the mechanic throughout the life of the contract. An FPA

failure is defined as material not available to the mechanic at the time of demand; the bin or designated storage unit is empty, or there is a limited amount of material left in a bin or designated storage unit to satisfy the mechanic's current need for material; or for kitting, a kit is not on-hand or is provided/accepted incomplete.

An incentive will apply for exceeding the FPA metric of 99.5%, and a disincentive will apply for failure to meet the 99.5% FPA metric. FPA metric failures will be measured by the aggregate number of government reported material outages within a monthly reporting period. The first FPA evaluation date will be one month after site activation and subsequent FPA evaluations will be monthly thereafter.

Measurement

FPA is the percentage of material demands, on a per bin or per kit basis, for which the Contractor is responsible that were completed in their entirety. If the bins containing replenishment parts contain only parts not meeting quality assurance standards, this will be considered as a FPA failure that impacts production.

Kit fulfillment and completion will be measured as the number of kit requests that were satisfied with fully available, complete kits. For kits, an FPA failure is defined as an incomplete kit, or a kit that does not contain all items listed on its List of Material (LOM).

Performance measurement for FPA will begin at site activation and will be measured on a monthly basis for the ALC sites.

FPA will be applied on an annual basis as the average of the monthly FPA % to determine the incentive /disincentive and

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will be calculated annually. The incentive / disincentive will be calculated against the Level of Support CLIN and added/deducted to / from the Level of Support CLIN payment. The incentive / disincentive will be added or deducted from the monthly payment following completion of calculation of the incentive / disincentive to be applied at the conclusion of each annual performance period.

FPA will be calculated as follows, $FPA = \left[\left\{ 1 - \frac{\text{Number of FPA failures reported in a given month}}{\text{Number of Bins managed on a monthly basis by the contractor}} \right\} * 100 \right]$ The annual FPA will be calculated as the mean of the cumulative monthly FPA averages.

The following charts illustrate the incentives and disincentives for FPA metrics that will be calculated against the Level of Support CLIN and added to the Level of Support CLIN payment:

Performance Periods : (Completion of Transition Period thru contract completion)

FPA Incentive Percentage

99.9% - 100% 3%

99.8% - 99.89% 2%

99.7% - 99.79% 1%

99.5% - 99.69% 0%

99.0% - 99.49% -1%

98.0% - 98.99% -2%

97.0% - 97.99% -3%

96.0% - 96.99% -4%

95.0% - 95.99% -5%

94.99% or less Default

Note: During transition, default will be 90% or less

First Pass Acceptance incentives and disincentives are reported monthly, calculated annually and applied to the payment of the Level of Support CLIN. The incentive and disincentive amount will be determined as the % of incentive or disincentive multiplied by the dollar value of the Level of Support CLIN after reconciliation of the CLIN value has occurred for the previous performance period. The resulting incentive / disincentive amount will be deducted in a lump sum from the Level of Support monthly payment following the 12-month performance period. The first annual performance period will consist of the 6-month transition period as well as the first 6-months of full performance. FPA performance metrics tracking will start upon activation of each site. Prior to the first formal metrics cycle, the parties shall conduct a “dry run” of the metric computing and reporting process to allow all parties (AF, DLA, contractor) to participate in the process and provide clarifications.

Below is an EXAMPLE of how a disincentive would apply under the resulting contract:

Level of Support CLIN payment for the first annual performance period: \$100,000,000.00

12-month average of monthly reported FPA %:

$(99.1+99.5+99.6+99.3+99.4+99.7+99.0+99.3+99.4+99.5+99.6+99.1)/12 = (1192.5/12) = 99.375\%$

Calculated disincentive earned for first annual period: $(\$100,000,000 * 1\%) = \$1,000,000.00$

The clock starts when the Government notifies the Contractor POC via the electronic system established by the Contractor. The Contractor-designated POC shall be available 24 hours/day, 7 days/week. The COR will verify the failure and track the timeframe to correct the failure. The Contracting Officer will provide a monthly metric report to the Contractor within fourteen (14) days from the end of the preceding month. The Contractor will have fourteen (14) days to challenge the calculations in writing to the KO. The challenge shall include the rationale and any supporting evidence. The KO will make the final decision on the challenge request within 14 days after receipt. If the Contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.

Any incentive earned by the Contractor may be reduced at the discretion of the KO for excessive product quality deficiencies for items delivered from the Contractor’s inventory. Penalties will not be assessed against the Contractor if the FPA failure was caused by a DLA-supplied quality deficiency and if the Contractor provides a remedial plan within 48 hours of the failure. This remedial plan must be approved by the COR.

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CONTINUATION SHEET REFERENCE NO. OF DOCUMENT BEING CONTINUED:

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Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the FPA calculation until the lead-time of record has expired. DLA-mandatory sourced items such as Critical Safety Items (CSI) or items requiring First Article Testing will be included in the FPA calculation.

Kits that are provided / accepted as incomplete due to missing or new items within the first lead-time are not included in the FPA metric calculation.

The contractor may challenge any instance of FPA failure resulting from unavailability of DLA-mandatory sourced items. The contractor shall provide evidence to the contracting officer that appropriate planning and supply chain management actions were taken to meet the 99.5% FPA requirement, including but not limited to submission of DDEs. The contracting officer will conduct an investigation and render a decision. The contractor must notify the contracting officer of any disputed FPA failures due to unavailability of DLA-mandatory sourced items within 30 days of the end of the evaluation period. Failure to notify the contracting officer within that time will result in the FPA failure being deemed to be accurate and correct.

H-903 MECHANIC WAIT TIME (MWT) METRIC

Secondary Metric: Mechanic Wait Time (MWT)

The number of hours it takes the Contractor to remedy an FPA failure is called Mechanic Wait Time (MWT). MWT is calculated as the average time it takes the Contractor to fill a bin that was identified as empty, measured as the difference between the time an empty bin is reported to the Contractor and when the bin is filled by the Contractor as verified by the COR. The contractor shall remedy every instance of FPA failure within 24 hours throughout the entire contract period. Note: A separate 8-hour MWT metric will apply to no more than 10% of Bench Stock Locations across all three sites identified as critical to support of the customer. The number of bench stock locations may be calculated at each site and then applied at a single site or it may be calculated at all three sites and divided as the AF chooses across all three sites. A tiered disincentive will be applied per instance. The MWT evaluation will begin upon site activation and subsequent MWT evaluations will be monthly thereafter.

The following charts illustrate the incentives/disincentives for the 8-hour and 24-hour MWT metrics.

Mechanic Wait Time (MWT) – 24 hr

Performance Periods	
MWT	Disincentive
25 – 48 hours	\$280 per instance
49 – 72 hours	\$420 per instance
Greater than 72 hours	\$560 per instance

Mechanic Wait Time (MWT) – 8 hr

Performance Periods	
MWT	Disincentive
8 – 24 hours	\$280 per instance
24 – 48 hours	\$420 per instance
Greater than 48 hours	\$560 per instance

The MWT disincentive will be tracked monthly and calculated on an annual basis. A tiered disincentive will be calculated monthly and applied on all MWT instances that exceed 24 hours. MWT will be measured per bin/kit. The MWT disincentive will be calculated annually as the value of all MWT failures exceeding the 8 and 24-hour MWT metrics multiplied by the appropriate tiered disincentive. The disincentive amount will be deducted from the Level of Support CLIN following the 12 month performance period. MWT disincentives will commence with the activation of each site. The first annual performance period will consist of the 6-month transition period as well as the first 6-months of full performance.

The clock starts when the Government notifies the Contractor POC via the Contractor’s electronic system. The Contractor-designated POC shall be available 24 hours/day, 7 days/week. The COR will verify the failure and track the timeframe to correct the failure. The Contracting Officer will provide a monthly metric report to the Contractor within

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fourteen (14) days from the end of the preceding month. The Contractor will have fourteen (14) days to challenge the calculations in writing to the KO. The challenge shall include the rationale and any supporting evidence. The KO will make the final decision on the challenge request within 14 days after receipt. If the Contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.

Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the MWT calculation until the lead-time of record has expired. CSI, FAT, or new items within the first lead-time missing from provided/accepted kits are not included in the MWT metric calculation. Items that are mandated to be sourced from DLA, such as CSI and FAT, will be included in the MWT metric calculation. Orders excluded from the FPA metric are excluded from the MWT disincentive.

NSNs added after contract award will be granted a full Production Lead Time (PLT) based on Government system data prior to being subject to the FPA and MWT metrics. All delivery orders received within the initial PLT will not be subject to the metric.

The Contracting Officer will provide a monthly metric report to the contractor within fourteen (14) calendar days from the end of the preceding month. The Contractor will have fourteen (14) calendar days to challenge individual delivery orders or the calculations for the metrics in writing to the Contracting Officer. The challenge shall include the rationale and any supporting evidence. The Contracting Officer will approve/disapprove the challenge request within 14 calendar days after receipt. If the contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.

WITH

H-902 FIRST PASS ACCEPTANCE (FPA) METRIC

Primary Metric: First Pass Acceptance

The Contractor shall achieve a 99.5% FPA rate for bench stock (bins and kits), defined as 99.5% of items available at the time of demand from the mechanic throughout the life of the contract. An FPA failure is defined as material not available to the mechanic at the time of demand; the bin or designated storage unit is empty, there is a limited amount of material left in a bin or designated storage unit to satisfy the mechanic's current need for material; the bins containing replenishment parts contain only parts not meeting quality assurance standards; or for kitting, a kit is not on-hand, is provided/accepted incomplete at the time of kit demand by mechanic, or contains non-conforming items.

An incentive will apply for exceeding a 99.9% FPA , and a disincentive will apply for failure to meet 99.5% FPA. FPA metric failures will be measured by the aggregate number of government reported material outages within a monthly reporting period. The first FPA evaluation date will be one month after site activation and subsequent FPA evaluations will be monthly thereafter.

Measurement

FPA is the percentage of success in fulfilling material demands, measured on a per mechanic per bin basis or per kit per mechanic basis. The FPA percentage is calculated as the number of unsuccessful attempts by all mechanics to obtain a part or kit from a bin divided by the sum of the total non-automated bins supported as well as the number of instances in which a mechanic requests a part from the automated bins or automated systems during the month. For example, if the mechanics request parts / kits from an automated bin / automated system 5,000 times during the month and the contractor is supporting 200,000 non-automated part / kit bins, the denominator will be 205,000. FPA will be calculated separately for each ALC on a monthly basis. For kits, an FPA failure is defined as a kit that is not available, does not contain all items listed on its List of Material (LOM), or contains non-conforming material.

Performance measurement for FPA will begin at site activation and will be measured on a monthly basis for the ALC sites. FPA will be applied on an annual basis as the average of the monthly FPA % to determine the incentive / disincentive and will be calculated annually. The incentive / disincentive will be calculated against the Level of Support CLIN and added to / deducted from the Level of Support CLIN payment. The incentive / disincentive will be added or deducted from the monthly payment following completion of calculation of the incentive / disincentive to be applied at the conclusion of each annual performance period.

FPA will be calculated as follows, $FPA = \left[\frac{1 - (\text{Number of FPA failures reported in a given month})}{(\text{sum of the total non-automated bins supported as well as the number of instances in which a mechanic requests a part from the automated bins or automated systems during the month})} \right] * 100$. The annual FPA will be calculated as the mean of the cumulative monthly FPA averages.

The following charts illustrate the incentives and disincentives for FPA metrics that will be calculated against the Level of Support CLIN and added to the Level of Support CLIN payment:

Performance Periods : (Completion of Transition Period thru contract completion)	
FPA	Incentive Percentage
99.95% - 100%	2%
99.9% - 99.94%	1%
99.5% - 99.89%	0%
99.0% - 99.49%	-1%
98.0% - 98.99%	-2%
97.0% - 97.99%	-3%

96.0% - 96.99%	-4%
95.0% - 95.99%	-5%
94.99% or less	Default

Note: During transition, default will be 90% or less

First Pass Acceptance incentives and disincentives are reported monthly, calculated annually and applied to the payment of the Level of Support CLIN. The incentive and disincentive amount will be determined as the % of incentive or disincentive multiplied by the dollar value of the Level of Support CLIN after reconciliation of the CLIN value has occurred for the previous performance period. The resulting incentive / disincentive amount will be deducted in a lump sum from the Level of Support monthly payment following the 12-month performance period. The first annual performance period will consist of the 6-month transition period as well as the first 6-months of full performance. FPA performance metrics tracking will start upon activation of each site. Prior to the first formal metrics cycle, the parties shall conduct a “dry run” of the metric computing and reporting process to allow all parties (AF, DLA, contractor) to participate in the process and provide clarifications.

Below is an EXAMPLE of a FPA calculation for one month at an ALC:

of bin and kitting instances reported: 300
Sum of non-automated bins supported and requests for a part from automated bins / systems: 70,000
FPA % Calculation: $[[1 - (300 / 70,000)] * 100] = 99.57\%$

Below is an EXAMPLE of how a disincentive would apply under the resulting contract:

Level of Support CLIN payment for the first annual performance period: \$100,000,000.00
12-month average of monthly reported FPA %:
 $(99.1+99.5+99.6+99.3+99.4+99.7+99.0+99.3+99.4+99.5+99.6+99.1)/12 = (1192.5/12) = 99.375\%$
Calculated disincentive earned for first annual period: $(\$100,000,000 * 1\%) = \$1,000,000.00$

The clock starts when the Government notifies the Contractor POC via the electronic system established by the Contractor or via an automated bin / system. The Contractor-designated POC shall be available 24 hours/day, 7 days/week. The COR will verify the failure and track the timeframe to correct the failure. The Contracting Officer will provide a monthly metric report to the Contractor within fourteen (14) days from the end of the preceding month. The Contractor will have fourteen (14) days to challenge the calculations in writing to the KO. The challenge shall include the rationale and any supporting evidence. The KO will make the final decision on the challenge request within 14 days after receipt. If the Contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.

Any incentive earned by the Contractor may be reduced at the discretion of the KO for excessive product quality deficiencies for items delivered from the Contractor’s inventory. Penalties will not be

assessed against the Contractor if the FPA failure was caused by a DLA-supplied quality deficiency and if the Contractor provides a remedial plan within 48 hours of the failure. This remedial plan must be approved by the COR.

Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the FPA calculation until the lead-time of record has expired. DLA-mandatory sourced items such as Critical Safety Items (CSI) or items requiring First Article Testing will be included in the FPA calculation.

Kits that are provided / accepted as incomplete due to missing or new items within the first lead-time are not included in the FPA metric calculation.

The contractor may challenge any instance of FPA failure resulting from unavailability of DLA-mandatory sourced items. The contractor shall provide evidence to the contracting officer that appropriate planning and supply chain management actions were taken to meet the 99.5% FPA requirement, including but not limited to submission of DDEs. The contracting officer will conduct an investigation and render a decision. The contractor must notify the contracting officer of any disputed FPA failures due to unavailability of DLA-mandatory sourced items within 30 days of the end of the evaluation period. Failure to notify the contracting officer within that time will result in the FPA failure being deemed to be accurate and correct.

H-903 MECHANIC WAIT TIME (MWT) METRIC

Secondary Metric: Mechanic Wait Time (MWT)

The number of hours it takes the Contractor to remedy an FPA failure is called Mechanic Wait Time (MWT). MWT is calculated as the time it takes the Contractor to fill a bin once it has an FPA failure, measured as the difference between the time the first FPA failure for a bin is reported to the Contractor and when all FPA failures for the bin have been remedied by the Contractor as verified by the COR. The contractor shall remedy every instance of FPA failure within 24 hours throughout the entire contract period. Note: A separate 8-hour MWT metric will apply to no more than 10% of Bench Stock Locations across all three sites identified as critical to support of the customer. The number of bench stock locations may be calculated at each site and then applied at a single site or it may be calculated at all three sites and divided as the AF chooses across all three sites. A tiered disincentive will be applied per bin / kit on which an FPA failure occurs that exceeds the 8 or 24 hour metric. An additional disincentive will apply for every 30 days in which an MWT bin / kit instance remains open. The MWT evaluation will begin upon site activation and subsequent MWT evaluations will be monthly thereafter.

The following charts illustrate the incentives/disincentives for the 8-hour and 24-hour MWT metrics.

Mechanic Wait Time (MWT) – 24 hr

Performance Periods	
MWT	Disincentive
25 – 48 hours	\$280 per instance
49 – 72 hours	\$420 per instance
Greater than 72 hours	\$560 per instance

Mechanic Wait Time (MWT) – 8 hr

Performance Periods	
MWT	Disincentive
8 – 24 hours	\$280 per instance
24 – 48 hours	\$420 per instance
Greater than 48 hours	\$560 per instance

The MWT disincentive will be tracked monthly and calculated on an annual basis. A tiered disincentive will be calculated monthly and applied on all MWT instances that exceed 24 hours. An additional disincentive will apply at the max MWT per instance dollar value (\$560) for every 30 days in which an MWT bin / kit instance remains open. For example, if an MWT instance remains open 95 days, the disincentive will be $\$560 + \$560 + \$560 + \$560 = \$2,240$. MWT will be measured per bin/kit. The MWT disincentive will be calculated annually as the value of all MWT failures exceeding the 8 and 24-hour MWT metrics multiplied by the appropriate tiered disincentive plus the additional disincentive applied to MWT instances open for greater than 30 days. The disincentive amount will be deducted from the Level of Support CLIN following the 12 month performance period. MWT disincentives will commence with the activation of each site. The first annual performance period will consist of the 6-month transition period as well as the first 6-months of full performance.

The clock starts when the Government notifies the Contractor POC via the Contractor's electronic system or via an automated bin / system. The Contractor-designated POC shall be available 24 hours/day, 7 days/week. The COR will verify the failure and track the timeframe to correct the failure. The Contracting Officer will provide a monthly metric report to the Contractor within fourteen (14) days from the end of the preceding month. The Contractor will have fourteen (14) days to challenge the calculations in writing to the KO. The challenge shall include the rationale and any supporting evidence. The KO will make the final decision on the challenge request within 14 days after receipt. If the Contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.

Exceptions

New items added to the SOI will be permitted one lead-time for supportability expectations, and will not be included in the MWT calculation until the lead-time of record has expired. CSI, FAT, or new items within the first lead-time missing from provided/accepted kits are not included in the MWT metric calculation. Items that are mandated to be sourced from DLA, such as CSI and FAT, will be included in the MWT metric calculation. Orders excluded from the FPA metric are excluded from the MWT disincentive.

NSNs added after contract award will be granted a full Production Lead Time (PLT) based on Government system data prior to being subject to the FPA and MWT metrics. All delivery orders received within the initial PLT will not be subject to the metric.

The Contracting Officer will provide a monthly metric report to the contractor within fourteen (14)

calendar days from the end of the preceding month. The Contractor will have fourteen (14) calendar days to challenge individual delivery orders or the calculations for the metrics in writing to the Contracting Officer. The challenge shall include the rationale and any supporting evidence. The Contracting Officer will approve/disapprove the challenge request within 14 calendar days after receipt. If the contractor does not submit a timely challenge, then no adjustment will be made to the monthly metric.