DEFENSE LOGISTICS AGENCY
DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

INVITATION FOR BID (IFB)

FOR SALE OF

IFB 33-5019

SEALED BID

TERM SALE

AT

DLA Disposition US Northeast and Southeast locations in:

All Disposition Services and Receipt in Place Sites in the Agency's Northeast and Southeast Regions which includes all Disposition Services and Receipt in Place Sites East of the Mississippi River to include the US territories of Puerto Rico and the Virgin Islands.

Offer Closing Date/Time: September 22, 2025, 1:00 p.m., local time Battle Creek, Michigan, USA

STEP TWO OF THE TWO-STEP SOLICITATION

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A GENERAL STATEMENTS OF CONTRACT:

Certain contents and provisions of this IFB, including Attachments, are described in general. The following General Statements of Contract are not intended to be complete and do not take precedence over the terms and conditions of this contract. The requirements for all matters discussed in the General Statements are fully defined in the Terms and Conditions Section of this IFB. Any historical data provided in this IFB was derived using existing sources and is presented for general reference only.

The Defense Logistics Agency (DLA) Disposition Services (hereinafter, the "Agency") is offering a term public sales contract for the sale of Surplus Personal Property through this Invitation for Bid (IFB).

This IFB is issued by the Agency to initiate Step Two of a two-step sealed bid auction process. The Agency will only consider those bidders that have submitted an acceptable technical proposal during Step One of this solicitation under the Request for Technical Proposal (RFTP) review.

This is a firm fixed price contract where the bid price is expressed as a percentage of acquisition value. This is not a sale by lot. The Agency expects the buyer to fulfill all the requirements under this contract at the bid price provided by the Purchaser. The Agency guarantees to issue the Purchaser 42,000 DTIDs of property within the 12-month base period, or property having a total acquisition value of $234 million, whichever is the lesser to meet contract minimums. The maximum amount of property issued within the 12-month base period will not exceed the greater of 225,000 DTIDs of property or property having a total acquisition value of $2 billion.

The Agency and Purchaser agree that the Agency may offer an option period under the terms of this contract prior to the expiration of the base period if the maximum quantities allowed under the base period have been met. The minimum and maximum quantities offered under such an early option period may not exceed the amount authorized under the original terms of this contract. Initiating this early option period shall reduce the total performance time allowed under this contract. All performance in this option period shall continue under the terms applicable to option periods in the IFB.

The Agency will determine items to be sold to the Purchaser regardless of Federal Supply Code or location. The Purchaser has no right to any property that is not issued to them under the terms of this contract. The Agency reserves the right to sell property or offer property through alternative sales or contract means for all property, whether it is considered part of this contract or not. Furthermore, this contract does not in any way restrict or prohibit the Agency from moving property received at Disposition sites or receipt in place (RIP) locations to other Disposition sites, whether they are in the same region or not. The Agency has absolute discretion to move property between Disposition sites or regions prior to issuing it on any contract.

This IFB relates to personal property assets that the Agency has determined to be surplus to the needs of the Department of Defense and the Federal Government. Property in the **East Region which includes all Disposition Services and Receipt in Place Sites in the Agency's Northeast and Southeast Regions which includes all Disposition Services and receipt in Place Sites East of the Mississippi River to include the US territories of Puerto Rico and the Virgin Islands.**

Surplus personal property offered under this IFB is an item of personal property that has been determined to be safe to sell with a DEMIL code A, F, or Q6. Demil F property offered under this IFB will have completed DEMIL instructions by the DoD Military Generator prior to Receipt/Turn into the Agency. The Purchaser is NOT responsible to perform any DEMIL requirements under this IFB. Surplus personal property that is sold by DoD is in "as-is, where-is" condition. Under General Services Administration (GSA) regulations, federal agencies must make excess personal property available for: (1) reutilization within their agency or to special programs; (2) transfer to other federal agencies; or (3) donation to specified eligible entities, before an item is eligible for sale to the public. Under section 102-36-240 of GSA regulations, excess personal property includes "new" property, "useable" property, "repairable" property, or "salvage" property as defined in that regulation.

Surplus personal property under this IFB has been determined to be "new", "useable", or "repairable" under the GSA definitions. Surplus personal property offered under this IFB does not meet the definition of scrap, which has no value except for its basic material content. While DoD turn-in customers provide a supply condition code of A-H on all DTIDs for all property turned into the Agency, these codes are used in the DoD supply system as classifications for material in terms of readiness for issue and use, or to identify action underway to change the status of material. They do not directly correspond to the suitability of property being made available for reutilization, transfer, donation, or sale. Agency personnel make an independent determination on whether the property should be classified as scrap because it has no value in excess of the item's material content and/or whether an item is suitable for reutilization, transfer, donation, or sale as surplus.

All property covered under the contract is being sold "as-is" and "where-is." No request for adjustment in price for any item or rescission of the sale will be considered. This is not a sale by sample and property issued under the terms of this contract may not be rejected by the purchaser, unless an item has a reported acquisition value in excess of $3 million dollars. The Purchaser has sole discretion in rejecting items with an acquisition value of over $3 million dollars. The United States Government (USG) is the sole arbiter of determining condition code and determining whether property is considered surplus under its property regulations and thus eligible for referral under this contract. Purchaser's opinion, ability to sell or market, or the availability of customers for items have no bearing on whether the government considers the item Surplus. The Purchaser has no right to challenge an in-scope determination and no changes, modifications, downgrades to scrap, or reduction of acquisition value will be applied.

In the **East Region which includes all Disposition Services and Receipt in Place Sites in the Agency's Northeast and Southeast Regions which includes all Disposition Services and receipt in Place Sites East of the Mississippi River to include the US territories of Puerto Rico and the Virgin Islands,** DLA Disposition Services sites may also receive property that is not located at a DLA Disposition Services facility and may refer for sale to the Purchaser at a RIP location within the geographic areas included within the awarded contract.

The Agency will not be providing the Purchaser with permanent indoor or outdoor storage space for property, or any space to store equipment, including material handling equipment (MHE), at any location where the Purchaser is required to remove property. Temporary storage areas with a minimum capacity of twenty-four (24) pallet spaces will be provided for property to accumulate before Purchaser removal. Additionally, space equivalent to three (3) pallet spaces will be provided for packing, crating, and handling supplies. Agency Area Managers may approve additional temporary storage space on a case-by-case basis. MHE and/or other equipment may not be stored in these temporary storage areas unless approved by the Agency Area Manager IAW Article Twelve, section E.12.1, Material Handling Equipment, of this IFB.

Property that is referred for sale to the Purchaser shall be made available for inspection prior to issuance and removal. The Agency and the Purchaser must conduct a physical joint inventory of the property pending issuance at the Agency's field site and/or RIP site prior to the property being released for shipment out of the Agency's control. The Agency field site shall notify the Purchaser in writing via email to schedule joint inventory. The Purchaser shall confirm the schedule within three (3) business days from the date of the notice. Special circumstances may arise where the Agency will allow certain property not to be joint inventoried at an Agency field Site and/or Government facility after email notification for joint inventory has been given; however, written authorization from the SCO for anything beyond the original three (3) working days is required. The joint inventory will be conducted and documentation signed by both the issuer (the Agency or authorized representative) and the receiver (Purchaser) with all identified discrepancies annotated. Line-item discrepancies must be identified to the Agency at the time of the joint inventory prior to the transfer of title to the Purchaser. In all situations involving property inspection, the provision in section B, Item Description, of this IFB applies with regard to whether the property is within the scope of the contract. Discrepancies are limited to quantity overage/shortage and/or item mis-description by Local Stock Number (LSN). LSN challenges must be handled in accordance with provisions in Article Eight, section E.8.3, NSN/LSN Acquisition Values and the Challenge Process, of this IFB.

Property must be removed from Government facilities and title transfer completed within five (5) business days upon the Agency's removal request notification to the Purchaser containing a list of property pending removal. Reporting property pending removal will be provided from the Agency's current property accounting system in a format at the discretion of the Government. Removals must be scheduled to occur during the Agency field sites' normal working hours. The Purchaser will pay for all packing, handling, crating and transportation costs associated with shipments.

RIP locations will be identified to the Purchaser by the Government on the provided list of property pending removal. Reporting property pending removal will be provided from the Agency's current property accounting system in a format at the discretion of the Government. RIP locations are located at alternate sites that are not under the Agency's direct control. They may be on or off military installations. The physical joint inventory must be conducted in-person IAW Article 9, section E.9.2, Property Inspection, of this IFB. Property must be removed from Government facilities and title transfer completed within fifteen (15) business days upon the Agency's removal request notification to the Purchaser containing a list of property pending removal. Removals must be scheduled to occur during the RIP personnel's normal working hours through coordination with the Agency Sales POC. The Purchaser will pay for all packing, handling, crating and transportation costs associated with shipments.

Special circumstances may arise where the Agency will allow certain property to remain at a Government facility beyond the allocated five (5) or fifteen (15) business days; however, prior written authorization from an Agency Area Manager for these exceptions are required. The Agency Area Manager may authorize additional time for the property to be removed, typically not to exceed a total removal time of thirty (30) calendar days. Removals requiring more than thirty (30) calendar days must be approved by both the Agency Area Manager and the SCO, not to exceed sixty (60) calendar days.

On a limited basis, special circumstances or projects may arise that require more than sixty (60) calendar days to remove property. The Agency will coordinate with the Purchaser to establish a removal timeframe; however, the Agency will make the final determination on the appropriate amount of time for the property to be removed which will be stipulated in writing to the Purchaser**.**

The Purchaser will pay for all transportation costs associated with removals and shipments of surplus property from DLA Disposition Service sites or RIP locations. The purchaser will coordinate with the Sales POC for Purchaser's conveyance pick-up time frame. On the agreed day of pick-up, the Agency will load up to the maximum capacity of the equipment at the Agency field site only. Agency personnel will make the initial placement of the property on conveyance(s) furnished by the Purchaser and the initial placement of the Purchaser's conveyance will be determined by the Government. The Government will not block, chock, brace, lash band, or in any other manner secure the cargo on such conveyance(s) furnished by the Purchaser. Purchaser personnel will not be permitted to operate the Government-owned MHE. The Purchaser is cautioned that RIP location loading will be the responsibility of the Purchaser. The Agency or the USG will not provide MHE or any assistance to remove the property from RIP locations.

For bidding on this contract, Bidders shall not assume that property may be resold on a Government facility or at RIP locations. The resale of property at Government facilities or RIP locations will be on an extremely limited basis and must be approved by the Area Manager, DSD, and SCO. Property authorized to be resold on a government facility or at RIP locations must be removed within thirty (30) calendar days or storage charges may be charged.

The Purchaser will receive a blank SF-97, "The United States Government Certificate to Obtain Title to A Vehicle" document for all vehicles prior to property removal. SF-97 is not a title; it is documentary evidence that provides a Purchaser with the ability to obtain a Title at the appropriate Department of Motor Vehicles (DMV). SF- 97 is accepted in all 50 states and U.S. Territories. The Government makes no representation or claims as to the acceptance of this form outside of these areas. The SF-97 in no way serves as a waiver for payment of registration fees, nor county or State taxes assessed to the vehicle after its purchase from the Government. See Article 9, section E.9.4, USG Certificate to Obtain Title of a Vehicle, of this IFB for additional information.

The successful bidder commits to purchasing property issued under this contract for a twelve (12) month performance period commencing from the date of submission of the initial inventory to the Purchaser. The Agency may exercise an option period(s) to extend the performance period for up to an additional forty-eight (48) months based on Government requirements. Option periods will normally be in one-year increments; however, the Government reserves the right to exercise option periods for shorter periods of time. The entire length of the contract, if all option periods are exercised and the extension authorized in E.6.1, shall not exceed sixty (66) months.

For any option period issued after the base period that is issued for a period of time less than 12 months, such as with a 8-month option period, the minimum and maximum will be adjusted and calculated as a percentage of the stated base period requirement. For illustrative purposes, if contract had a minimum requirement for 42,000 DTID's or property having a total acquisition value of $234 million, whichever is the lesser amount to meet the contract minimum, for a 12-month base period, then the exercise of a 8-month option period for the same contract would have a minimum requirement of 28,000 DTID's or property having a total acquisition value of $156 million, whichever is the lesser amount to meet the contract minimum for the 8-month option.

For the same option period mentioned above as an illustrative example, the maximum of the option period would also be calculated as a percentage of the stated base period requirement. For illustrative purposes, if contract had a maximum requirement for 225,000 DTID's or property having a total acquisition value of $2 billion, whichever is the greater amount to stay within the limits of the contract maximum, for a 12-month base period, then the exercise of a 8-month option period for the same contract would have a maximum requirement of 150,000 DTID's or property having an annual acquisition value of $1,333,333,333.33, whichever is the greater amount to stay within the limits of the contract maximum of the 8-month option.

This means the government can provide a minimum of 28,000 DTID's or property having an annual acquisition value of $156 million, whichever is the lesser amount to meet the option contract minimum in that 8-month option period for this illustrative example. It also means that the government can provide a maximum of 150,000 DTID's or property having an annual acquisition value of $1,333,333,333.33, whichever is the greater amount to stay within the limits of the contract maximum in the 8-month option period for this illustrative example.

Purchaser(s) should exercise caution when incurring obligations based on an anticipated period as the performance period refers only to the amount of time the Agency must meet its commitments to provide the minimum quantities of items advertised to the Purchaser. It does not confer any right to surplus property throughout the performance period; instead, the Agency promises only to provide the minimum quantities.

An offeror's bid will consist of a bid percentage specified by the bidder for the Government's acquisition value of all property received. There is no minimum bid requirement. The contract will be offered to the responsive responsible bidder offering the highest bid percentage, however, the Government reserves the right to reject any or all bids received when such action is determined to be advantageous to the Government. In accordance with 41 CFR § 102-38.205, the Government reserves the right to accept or reject any or all bids. The government may reject any or all bids when such action is advantageous to the Government, or when it is in the public interest to do so. The successful bidder agrees to pay the Government the bid percentage offered based on the Government's acquisition value for each line item issued. This is referred to in the contract as the billing payment. The same bid utilized for the base period will be automatically considered for the option periods.

Within seven (7) calendar days of notification of the SCO, the Purchaser will provide the Agency with the deposit. The amount of the deposit required is the average estimated acquisition value of such material to be generated during a 3-month period multiplied by 20 percent of the bid price. For deposit purposes only, $234 million will be used to calculate the deposit. For illustrative purposes, this IFB has a base period of 12-months and one of the contract minimums is listed as property having a total acquisition value of $234 million, then $234 million divided by 12-months equals $19,500,000.00 ($234,000,000/12). This is the average of the acquisition value of property generated per month. The $19,500,000.00 would be multiplied by 3 months to get $58,500,000.00 ($19,500,000.00 x 3). This is the average of the acquisition value of property generated over 3 months.

If the Apparent High Bidder (AHB) had bid 3.5% as their bid percentage, then $58,500,000.00 (average of the acquisition value of property generated over 3 months) times the bid percentage of 3.5% equals $2,047,500.00. The deposit requires 20% of the $2,047,500.00 ($2,047,500.00 x .20), which is $409,500.00. The deposit would be $409,500.00.

This deposit is in addition to the $100,000 bid deposit required for bid submission. The deposit will be held by the Agency until the conclusion of the contract. The Purchaser is also required to provide a financial guarantee bond in the amount of $3 million dollars within seven (7) calendar days of award.

The deposit must be made via guaranteed instrument wire transfer or Electronic Funds Transfer (EFT). The Agency will retain the deposit until the completion of the contract. The deposit will be applied to any unpaid billings or to offset any other claim that the Agency may have against the Purchaser. The Agency will return any available balance of the deposit, without interest, to the Purchaser upon completion of contract closure when all lines of accounting have been reconciled by the Agency. The Bidder or Purchaser hereby agrees that the Agency may use all or any portion of any refund due to satisfy, in whole or in part, any debt arising out of prior transactions with the Agency.

Prior to the award of this contract, the Purchaser will be required to obtain a trade security control (TSC) assessment/clearance by providing the SCO with a properly completed end use agreement (EUC) in the form of a DLA Form 1822, within two (2) business days of notification of being the AHB (copy available on the Agency web site, http://www.dla.mil/DispositionServices/Offers/Public-Sales-Offerings/Forms/. The clearance may need to be renewed during the performance period of this contract and at the request of the Government. The clearance investigation determines that the entity is who it claims to be, doing business at the name and location claimed, and that there is no disqualifying factors present (i.e., convictions for illegal export of military technology, debarment by a Government activity, etc.). The Purchaser is required to comply with all current or future TSC procedures as mandated during the performance period of this contract. Such new requirements may impose higher costs upon the Purchaser to comply. Purchasers shall not expect any equitable relief or any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary related to TSC procedures.

U.S. export control regulations will apply to all subsequent sales or transfers of property purchased from the agency. The purchaser is responsible for compliance with those laws. For further information, see Article 13, section E.13.2, Export Control Requirements, of this IFB.

All property that the Agency issues under this contract requires property assurance responsibilities on the part of the Purchaser which may result in the property being returned to the Government. The Agency will furnish the Purchaser a Do-Not-Sell (DNS) List (to include updates as often as necessary) and a Demilitarization Code Change (DCC) List (also updated as often as necessary) representing items that are or have become prohibited from sale.

The Purchaser shall return any item on the DNS and DCC lists prior to release to resale customers and will identify the return by the applicable issuance and Disposal Turn-In Document (DTID). The contract terms preclude the resale of items that the Agency has identified as becoming controlled or DEMIL required and placed on the DNS or DCC List. After the USG has cleared the property for shipment to a Disposition site, Purchaser shall perform all packing, handling, and crating to include loading blocking and bracing of the Governments conveyance as needed. Purchasers shall send a transportation request via email to the SCO for controlled property return transportation request. The Government will refund the Purchaser its purchase price for such items. The Purchaser shall not expect any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary to the handling of any item on the DNS and DCC lists prior to release to resale customers.

The Purchaser must develop a web-based application for use on this contract with regard to reviewing property to determine and confirm sales eligibility. The Government and Purchaser will refer to this application as the Quarantine Tool (Q-Tool). Ultimately, the Q-Tool will serve as a 5-business day Government preview area of all items the Purchaser is preparing to offer items for sale. During the 5-business day preview, the Purchaser is not allowed to make property visible to the general public. The Government must notify the Purchaser of any item not eligible for sale within the 5-business day preview time. All issued property must be submitted for Agency Q-Tool review IAW Article Seventeen, section E.17.1, Purchaser Web Based Application (Q-Tool), of this IFB, to confirm eligibility for resale prior to the end of the performance period or the effective date of termination. Property identified as controlled in the Q-Tool must be returned to the Agency prior to the end of the performance period or the effective date of termination.

There may be occasions where property issued to the Purchaser may have become controlled where the DEMIL codes may have changed after transfer, making them ineligible for further sales, or the Government may request the return of property due to it being mission essential for the USG or its programs. See Article 15, Property Returns, of this IFB for further information.

Purchaser agrees to fully cooperate with the Government when informed by the Agency of an ongoing investigation by any DoD or Federal Government investigation service or agency or during DLA Compliance Reviews, Investigations or Audits. The purchaser agrees to provide the Agency with all requested information regarding property or information relating to the Purchaser's operations, and resale buyer(s). The purchaser must make all sales records pertaining to such investigations available to the Agency at the earliest available opportunity but no later than three (3) business days of the request. Requests for information will be provided in electronic format when possible. Purchaser personnel with knowledge of the subject matter must be available to cooperate with any Government investigation.

The Purchaser agrees to provide monthly and quarterly reports containing the following information, at a minimum, but not limited to: inventory reports of property issued and removed/not yet removed, and any other required documentation that is needed for the Agency upon request.

The contract requires that the Purchaser fulfill certain requirements related to national security, customer service, and compliance review. The Purchaser must be fully auditable and remain cooperative with Agency audit requirements to include accounting statements, insurance coverage, inventory control/asset tracking, inventory aging, and returning/retrieving controlled property, both prior to resale and after. All of the Purchaser's records must be made available to the Agency. Records will be made available in either electronic or hard copy form as requested by the Agency within three (3) business days of request. Purchasers shall not expect any equitable relief or any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary related to national security, DLA customer service, and/or compliance reviews.

The Purchaser's bid shall consist of a percentage of Acquisition Value. Prospective bidders should be aware of certain risk factors that could affect a bidder's assessment of this contract and the calculations supporting the resulting bid. Under no circumstances is the Agency or the Government responsible for any assumptions, planning factors, or decisions the Purchaser made related to determining their high bid.

The Government expects the Purchaser to perform all the requirements under this contract at the bid price submitted by the Purchaser. At no time shall the Government pay the Purchaser to take material offered. There shall be no reimbursement to the Purchaser under this contract except for the limited circumstances related to reimbursement of actual expenses incurred for return of property directed by the Government. The Government is not responsible for any indirect, inconsequential, or completeness (through assumption of sales value, act or omission of factors) of expenses related to performance under this contract. The measure of the Government's liability, in any case where liability of the Government to the Purchaser has been established, shall not exceed the refund of such a portion of the purchase price as the Government may have received.

The future volume, quality, condition, market value, types (i.e., distribution of property referrals across Federal Supply Classes (FSCs), and geographic concentrations (i.e., referrals for sale at delivery points) of the property cannot be predicted. Applicable statutes, regulations, policies and inter-service agreements govern whether the disposition of particular items of excess is through the Agency or through other disposition methods. The volume and nature of the property referred for sale under this contract could be affected by such changes.

Described generally, applicable statutes and regulations grant the Agency less flexibility to agree to amend a contract after award than prospective bidders may have experienced in other contractual settings. Purchasers shall not expect any equitable relief or any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary to fulfill contract obligations as written. Prospective bidders will assume that the provisions of the contract cannot be significantly amended after award.

General notice on negotiated sale of limited amounts of other surplus personal property: On an infrequent basis, the Agency may offer personal property for sale that is not included within the scope of this IFB that requires partial mutilation, disassembly, or other services necessary to remove the property. The Purchaser is not required to accept such property under this IFB but may agree to accept the property under a separate negotiated sales contract offered by the Agency. The sales price for such property under any negotiated sale may not exceed $15,000 for the entire lot of property offered under such negotiated sale. If property is DEMIL required, Purchaser will be required to comply with all DEMIL training, surveillance requirements and DEMIL verification/certification requirements. Performance of any services under a negotiated sale (e.g., disassembly of furniture; moving and packing of furniture etc.) shall be taken into consideration in negotiating a sales price for the item or the lot. Such services shall not be compensated separately and shall not change the nature of the sales agreement under the Federal Property Management Regulations into a service contract under the Federal Acquisition Regulations (FAR). Property that may be offered under these limited negotiated sales would include, but not limited to, relocatable buildings, modular furniture, furniture located in barracks and office buildings that has not been removed or packed for shipment, and limited DEMIL F items that require limited mutilation or demilitarization. This provision does not constitute a right of first refusal to the Purchaser or an exclusive right to purchase such property. The Agency reserves the right, and it is within the Agency's sole discretion to offer and award negotiated sales for such personal property to any individual or firm.

B ITEM DESCRIPTION

It has been determined that after the completion of the DoD/DLA Disposition Services Reutilization, Transfer, and Donation process, the items within the property pool are surplus by the Department of Defense or Federal Government and consist of surplus personal property at all Disposition Services and Receipt in Place (RIP) Sites in the Agency's Northeast and Southeast Regions which includes all Disposition Services and RIP sites East of the Mississippi River to include the U.S. territories of Puerto Rico and the Virgin Islands.

The property issued under this contract has been identified by the Government as safe to sell with an assigned demilitarization (DEMIL) code of A, F or Q6. Surplus personal property under this IFB has been determined to be "new", "useable" or "repairable' under the GSA definitions. Surplus personal property is defined in the DEFINITIONS section of this IFB.

Described very generally, a demilitarization code is a single alpha character assigned to the item. For the purposes of this IFB, the following definitions are provided:

- **DEMIL Code A –** Items subject to the Export Administration Regulations (EAR) in parts 730-774 Title 15, Code of Federal Regulations (CFR) (CCLI or EAR99) and determined by the DOD to present a low risk when released out of DOD control. No further demilitarization or mutilation is required. May require an export license from the Department of Commerce.

- **DEMIL Code F –** United States Munitions List (USML) or Commerce Control List (CCL) Military Items. Demil F property offered under this IFB will have completed DEMIL instructions by the DoD Military Generator prior to Receipt/Turn into the Agency. The Purchaser is NOT responsible to perform any DEMIL requirements under this IFB. Even though DEMIL has been completed, items may still require an export license from Department of Commerce.

- **DEMIL Code Q6 –** Commerce Control List Items (CCLI). Demil Q items with integrity code 6 are considered safe to sell in the United States. Export licenses will be required by Department of Commerce.

Surplus property refers to property that no longer meets the needs of federal agencies, whether due to excess, obsolescence, or changes in mission requirements. This status of property is not declared arbitrarily but is a result of a comprehensive analysis by the appropriate federal entities. Such property includes non-rolling stock and rolling stock, which consists of self-propelled wheeled and track mounted vehicles (such as passenger motor vehicles, trucks, and dozers) and trailers with or without property permanently affixed to it (such as semi-trailers, cargo trailers and special purpose trailers). The quality of the property tendered under this contract will vary and it is being sold "as is, where is" with no warranty as to its condition or suitability for its originally intended, or any other specific purpose.

Property that has an expired shelf life or shelf life that will expire within thirty (30) calendar days of joint inventory inspection (excluding tires), is deemed hazardous material or contains hazardous material, requires partial mutilation, disassembly, or other services necessary to remove the property shall be excluded from this sale. Items requiring performance of other services necessary to remove property may include, but are not limited to, items such as relocatable or modular buildings, modular furniture, furniture located in barracks and office buildings that has not been removed or packed for shipment, and items that require limited mutilation or demilitarization. These items are excluded from this sale but may be made available through a separate negotiated sales process.

This is not a sale by lot. The Agency guarantees to issue the Purchaser 42,000 Disposal Turn In Documents (DTIDs) of property having a total acquisitions value of $234 million, within the 12-month base period, whichever is the lesser to meet contract minimums. A DTID may be one item or a group of like items. The maximum amount of property issued within the 12-month base period will not exceed the greater of 225,000 DTIDs of property or property having a total acquisition value of $2 billion.

	Base Period Minimum	**Base Period Maximum**
DTIDs	42,000	225,000
Original Acquisition Value	$234 Million	$2 Billion

For purposes of this contract, the term surplus property excludes records of the Federal Government, and naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines.

C PROPERTY GENERATIONS DATA AND USEFUL LINKS

A list of previously issued DTIDs may be issued upon request and will be published on the following Agency public sales webpage listed below. This list will provide historical information relating to past generations of surplus personal property similar to what is being offered in this IFB. The data provides a sales history to include returns of FSCs, DEMIL Codes, line items, and acquisition values. The government makes no guarantee on monthly generations of property and monthly generations may fluctuate and vary greatly. Bidders are advised that any sales history information provided is for informational purposes only. Prior year property generations and sales data are not predictors of future generations or sales; the Agency does not guarantee that the DTIDS on the list are what will be seen in future issuances. The geographic region in this IFB is significantly different from regions used in past STS or CV IFBs and all bidders are advised to use caution when comparing prior sales information that may not align with this geographic region.

The future volume, quality, condition, market value, types (i.e., distribution of property referrals across Federal Supply Classes (FSCs), and geographic concentrations (i.e., referrals for sale at delivery points) of the property cannot be predicted. Applicable statutes, regulations, policies and inter-service agreements govern whether the disposition of particular items of excess is through the Agency or through other disposition methods. The volume and nature of the property referred for sale under this contract could be affected by such changes.

See additional useful links below:

DLA Disposition Services: https://www.dla.mil/DispositionServices.aspx
DLA Auction Site: https://www.sales.dla.mil/dlab2b/init.do
System for Award Management: https://sam.gov/
Bureau of Industry and Security: https://www.bis.gov/
U.S. Department of the Treasury: https://home.treasury.gov/
Consolidated Screening List Search Engine: https://www.trade.gov/data-visualization/csl-search

D SALE BY REFERENCE (SBR)

The following general information, instructions and special conditions of sales contained in Agency's Disposition Services pamphlet entitled the "Sale by Reference Instructions, Terms and Conditions Applicable to Department of Defense (DoD) Personal Property Offered for Sale by the DLA Disposition Services", published July 2012, are hereby incorporated by reference and become a part of this IFB and any contract resulting from acceptance of a bid submitted pursuant to this IFB as fully as though such instructions, terms, and conditions had been specifically set forth herein:

The terms and conditions of this IFB supersede the Sales by Reference wherever conflicted.

D.1 SBR Part 1:

General Information and Instructions: All conditions apply except 4 and 5.

D.2 SBR Part 2:

Sale of Government Property General Sale Terms and Conditions: All conditions apply except: 3, 4, 5, 6, 7, 9, 12, 13, 28, 29, 30 & 31.

Modified Paragraph 33. DISPUTES is changed to read “Any contract awarded as a result of this sale is subject to the Contract Disputes Act 1978 (41 U.S.C. 7101-7109)”

D.3 SBR Part 3:

Sale of Government Property Special Sealed Bid Conditions: Does not apply.

D.4 SBR Part 4:

Sale of Government Property Special Sealed - Term Conditions: All articles apply except: 1, 2, 5, & 7.

Article 2 is amended in its entirety to: See Article 4, section E.4.2

Article 6 is amended to: Unless otherwise provided in the Sale, this contract may be terminated by either party without cost to the Government upon 120 days’ written notice to the other, to be calculated from the date the notice is mailed.

D.5 SBR Part 5:

Additional Special Circumstance Conditions - Miscellaneous: All articles apply except: A, D & G.

Article D. Paragraph D(a) is amended to: The Purchaser will, at no expense to the Government and prior to contract performance, confirm with the Sales Contracting Officer the following Certificates of Insurance will be effective throughout the term of the contract or any extensions thereof.

D.6 SBR Part 6:

Additional Special Circumstance Conditions - Demilitarization and Mutilation: Does not apply.

D.7 SBR Part 7:

Additional Special Circumstance Conditions - Hazardous and Dangerous Property: All articles apply except: A, B, C, D, E, F, R, T & U.

D.8 SBR Part 8:

Additional Special Circumstance Conditions - Foreign Excess Personal Property: Does not apply.

D.9 SBR Part 9:

Special Spot Bid Conditions of Sale of Government Property: Does not apply.

D.10 SBR Part 10:

Sale of Government Property Special Auction Conditions: Does not apply.

A copy of the Sale by Reference is available on the DLA Auction website listed above in Section C, Property Generations Data and Useful Links.

E TERMS AND CONDITIONS OF SALE:

The following Articles apply and constitute the terms and conditions of this sale:

E.1 ARTICLE ONE: FAR Provisions

E.1.1 FAR Provision 52.204-24:

FAR Provision 52.204-24 is applicable.

PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (AUG 2020)
Full clause text included in attachment. The provision at FAR 52.204-24 requires an offeror to represent, on an Offer-by-offer basis, whether it will or will not provide any "covered telecommunications equipment or services to the Government in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation."

The Representation that must be signed will be sent at the same time the Statement of Intent (SOI) is sent to apparent high bidder as part of the pre-award process.

https://www.acquisition.gov/far/52.204-24

Full clause text included in attachment.

E.1.2 FAR Provision 52.204.25:

FAR Provision 52.204-25 is applicable.

FAR Provision 52.204-25 titled, "Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment" is incorporated by reference from the Federal Acquisition Regulation.

https://www.acquisition.gov/far/52.204-25

Full clause text included in attachment.

E.2 ARTICLE TWO: Bid Evaluation and Contract Award

E.2.1 Bidding Process:

This IFB is issued by the Agency to initiate Step Two of a two-step sealed bid auction process. The Agency will only consider those bidders that have submitted an acceptable technical proposal during Step One of this solicitation under the Request for Technical Proposal (RFTP) review.

This is a firm fixed price contract where the Purchaser's bid shall be expressed as a percentage of the acquisition value of the property delivered under this contract. The bid value must only state two (2) digits to the right of the decimal without rounding (example 3.55%. Prospective bidders should be aware of certain risk factors that could affect a bidder's assessment of this contract and the calculations supporting the resulting bid. Under no circumstances is the Agency or the Government responsible for any assumptions, planning factors, or decisions the Purchaser made related to determining their high bid. The SCO will open each sealed bid at the specified bid opening day and time and the highest bid offered at that time will be considered the AHB.
The Government expects the Purchaser to perform all the requirements under this contract at the bid price submitted by the Purchaser. At no time shall the Government pay the Purchaser to take material offered. There shall be no reimbursement to the Purchaser under this contract except for the limited circumstances related to reimbursement of actual expenses incurred for return of property directed by the Government. The Government is not responsible for any indirect, inconsequential, or completeness (through assumption of sales value, act or omission of factors) of expenses related to performance under this contract. The measure of the Government's liability, in any case where

liability of the Government to the Purchaser has been established, shall not exceed the refund of such portion of the purchase price as the Government may have received.

If Bidder's have questions or need assistance, contact the SCO.

E.2.2 Identification of Sales Purchaser:

Bidders should take care to ensure that their bid submission indicates whether they are submitting the bid as an authorized representative of a legal entity such as a corporation or limited liability company, or in their individual capacity or as owner of a sole proprietorship. The legal entity designated as the bidder on SF 114 is the entity to whom the contract will be awarded upon receiving an affirmative responsibility assessment. Individuals or companies may use subsidiaries, affiliates, or partners in a joint venture as subcontractors with SCO approval as per the contract terms (however such entities may also require an ERD) but may not substitute such entities as a party to the DLA sales contract. AHBs should ensure the SOI and other pre-award documentation identify any subcontractors that will be performing removals or processing materials on its behalf so that the appropriate reviews may be conducted.

E.2.3 A Responsive Bid:

A responsive bid is a bid that complies with the terms and conditions of the sales offering and satisfies the requirements as to the method and timeliness of the submission. Only responsive bids may be considered for award. A responsive bid submission shall contain at a minimum:

- SF114 completed and signed
- SF114A
- The bid must remain valid for at least (180) calendar days from the bid opening unless otherwise modified or cancelled

The offeror's bid percentage of acquisition value is to be entered in the "Unit Price Bid" field on the SF114A in either of the following illustrative formats: 3.5% or 3.5.

E.2.4 Where to Submit Bid:

DO NOT email bids or call-in bids directly to the SCO.

Email bids shall only be submitted via email to: DLA.SALES@DLA.MIL (include the Sale Number). The maximum size of each email message shall be three and one-half (3.5) megabytes. You may use multiple email messages for each submission; however, you must annotate the subject lines as described above for each message, and number them in this manner: "Message 1 of 3, 2 of 3, and 3 of 3." Offers/quotes submitted by email are submitted at the bidder's risk. The Agency cannot guarantee the security of the offer/quote if it is submitted via email.

E.2.5 When to Send Bid:

Bids must be in possession of the Agency's Public Sales Contracting Division by the offer closing date and time specified in this IFB. If the bid is not submitted on time, it shall be considered non-responsive. Late rules are outlined in 41 CFR 102-38.245 and 250. Pay particular attention to the provisions that relate to the timing of email submissions.

E.2.6 How to Modify/Cancel Bid:

In addition to SBR Part 4, Paragraphs 3 and 4, to modify a bid, submit a new bid in the same manner as the previous bid. Separately, without disclosing bid amounts, notify the SCO of the modification. To cancel a bid, submit a zero (0) bid in the same manner as the original bid. Notify the SCO of the bid cancellation (specify date, time and method of bid submission). Bidders are responsible for submitting bids, and any modifications, revisions, or withdrawals, to reach the Government office designated in the solicitation by the time specified in the solicitation. Modification, revision, or withdrawal of the bid received at the Government office designated in the IFB after the exact time specified for receipt of the IFB is "late" and will not be considered.

E.2.7 Bid Evaluation:

This is not a service contract administered in accordance with the Federal Acquisition Regulations (FAR). This is a contract for the sale of personal property pursuant to provision in Title 40, the U.S. Code, Chapter 5. **In accordance with 41 CFR § 102-38.205, the Government reserves the right to accept or reject any or all bids. The government may reject any or all bids when such action is advantageous to the Government, or when it is in the public interest to do so.**

The Government intends to make a single award to a responsible bidder with the highest priced responsive bid, unless a determination is made to reject the bid under SBR Part 2, paragraph 3.

A responsible bidder is one that has the necessary organization, experience, financial resources, accounting process, operational controls, technical equipment and facilities, or the ability to obtain them, to fulfill the requirements of the sales contract, and has no disqualifying factors (i.e., is not suspended, debarred or an ineligible transferee). A responsive bidder is one that has complied with all instructions for properly submitting a bid. A responsible bidder is one that can pass the vetting process and is determined through the screening process to be an eligible transferee.

For illustrative purposes, if the item being advertised for sale were blue widgets with an acquisition value of $1000.00 each with an estimation of 500 Blue Widgets delivered per year. Bidder A submits a bid for 10% of the acquisition value per blue widget for a per widget purchase price of $100.00 or a total extended bid amount of an estimated $50,000. Bidder B submits a bid for 7% of the acquisition value per blue widget for a per widget purchase price of $70.00 or a total extended bid amount of an estimated $35,000.00, Bidder A is the apparent high bidder.

Submitting the highest bid price does not convey any special right nor does it imply that the Purchaser shall be the primary removal company or exclusively allowed to remove throughout the term of this contract. The Government reserves the right to reject any bids that are not in the best interest of the Government under 41 CFR § 102-38.205. The general standards in FAR Part 9 on Purchaser responsibility determinations that are applicable to procurement contracts are not directly applicable to sales contracts awarded under 40 U.S. Code § 545 but may be considered by the SCO in evaluating bidder responsibility.

E.2.8 Ineligible Bidder:

A bidder will not be eligible for award if they are:

- Officially indebted to the Government.
- Excluded from Federal programs by the General Services Administration as identified in the System for Award Management at https://sam.gov/.
- Subject to denial, suspension, debarment, or other sanctions pursuant to export control and related laws, regulations, or orders administered by the DOS, DOC, DHS, or USTD. The DOS, DOC, DHS, and USTD name these entities, individuals, and countries in the Federal Register and at the following website: Consolidated Screening List Search Engine (https://legacy.export.gov/csl-search).

E.2.9 Pre-Award Survey:

The Pre-Award survey is one of the factors used by the Government to ensure the AHB's ability to satisfactorily perform the work in accordance with their technical proposal submitted in step-one of this solicitation. After bid opening/closing and prior to award, the Agency may conduct a Pre-Award survey of only the AHB who may become eligible for award after final evaluation. The evaluation will include but is not limited to: Trade Security Control Clearance (TSC), Environmental Review Determination (ERD), Statement of Intent (SOI), and Department of Justice Anti-Trust Division approval. The Pre-Award survey may be conducted at the AHB's facility(ies) or other location(s) as deemed necessary by the Government and may include a review of AHB's facilities and equipment, financial capability or disclosure of a Purchaser's financial condition, quality assurance, safety, and transportation.

The AHB must cooperate in the Pre-Award process by assisting in arrangements and/or by providing requested information in a timely manner. The AHB is advised that accomplishment of a pre-award survey or furnishing documents to the Agency in support of the pre-award survey is part of the assessment of the bidder's responsibility and does not guarantee that the bidder will receive award of a contract. The SCO may rely upon information obtained in the pre-award survey in assessing the bidder's present responsibility.

Once notified that you are the AHB, you will have three (3) working days to complete and return to the SCO all documents provided in the AHB notification. Be advised that the Pre-Award survey and providing documents to the Government is part of the evaluation to determine responsibility and is not a guarantee of contract award.

Pre-Award Survey will include but is not limited to the following:

- Complete and return SOI to the SCO.
- Complete and return FAR Provision 52.204-24.
- Pass a responsibility check conducted through the Consolidated Screening List (CSL) search; however, this does not limit the requirements to be deemed responsible in accordance with FAR Part 9.
- Complete and return the End Use Certificate (EUC), DLA Form 1822, to the SCO.
- A Trade Security Control Assessment will be made by agency personnel.
- Necessary licenses, permits and certifications will be reviewed.
- Facility Inspection(s)

If at any point the SCO determines the bidder that submitted the apparent high, responsive bid cannot be found responsible, the next highest bidder will be assessed in the same pre-award survey process. This same process of vetting the next highest responsive bidder may continue, at the sole discretion of the SCO, until a responsive bidder is identified and is determined to be responsible.

E.2.10 Trade Security Control (TSC) Requirements:

Prior to award of this contract, the Purchaser will be required to obtain a TSC assessment/clearance by providing the SCO a properly completed EUC in the form of a DLA Form 1822, within two (2) business days of notification of being the AHB (copy available on the Agency web site, http://www.dla.mil/DispositionServices/Offers/Public-Sales-Offerings/Forms/.

The clearance may need to be renewed during the performance period of this contract and at the request of the Government. The clearance investigation determines that the entity is who it claims to be, doing business at the name and location claimed, and that there is no disqualifying factors present (i.e., convictions for illegal export of military technology, debarment by a Government activity, etc.). The Purchaser is required to comply with all current or future TSC procedures as mandated during the performance period of this contract. Such new requirements may impose higher costs upon the Purchaser to comply. The Purchaser shall not expect any equitable relief or any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary related to TSC procedures.

The U.S. export control regulations may apply to subsequent transactions of the property. The Purchaser should obtain a statement from the buyer, containing information similar to that contained in the USG's EUC and must check any prospective buyer to ensure the buyer is not on the Department of Commerce proscribed party list (entity and person) and prohibited country list; that the transfer will not violate 15 CFR Part 736 and issue a destination control statement in accordance with the EAR. Additional information on managing exports of CCL items can be found at the Bureau of Industry and Security website at https://www.bis.gov.

E.2.11 Contract Award:

The SCO shall determine if each bid is responsive and responsible prior to the award of the contract. The contract shall be awarded to the highest responsive, responsible bidder. In the event of termination of the original Purchaser within one hundred and eighty (180) calendar days of the date of award, the SCO may award the contract to the next highest responsive, responsible bidder if bids have not expired, and such award is otherwise determined to be in the Government's best interest.

The Government intends that a single award will be made to a responsible bidder with the highest priced responsive bid per contract line item unless a determination is made to reject the bid under provision in Title 40, U.S.C., Chapter 5.

Under Title 40, U.S.C., Chapter 5, and SBR Part Article 3, the Agency reserves the right to accept or reject any or all bids. The Agency may reject any or all bids when such action is advantageous to the Government, or when it is in the public interest to do so.
When the bidder has successfully completed the pre-award assessment as the AHB, the bidder will receive a Notice of Award indicating the required prepayment amount. Submit payment within seven (7) calendar days of the Notice of Award.

When payment is posted and confirmed by the SCO; and all other vetting has been completed, a Start of Work meeting will be scheduled.

E.2.12 Post-Award Conference & Start of Work Meeting:

The Government will conduct a start of work meeting and/or post-award conference as early as two days after the award. The purpose of the meeting and/or conference is to ensure the Purchaser fully understands the terms and conditions of this contract. The Agency shall determine the method, date, time, and location of the start of work meeting and/or conference. The Purchaser is responsible for any cost incurred by their organization and staff. The Government shall not provide any compensation for the costs incurred to attend meetings. At the conclusion of this meeting and/or conference, the official signed Notice of Award will be sent to the Purchaser and SPOC. After the signed Notice of Award is provided, property is authorized for release beginning on the date agreed upon during the start of work meeting and/or conference.

E.3 ARTICLE THREE: Parties to the Contract:

E.3.1 Purchaser Information:

Within 10 calendar days of the date of contract award, the Purchaser shall provide the Agency the following information:

- Designation of key persons, to include their full name, title, telephone number, email address and a synopsis of their duties under the contract if any, in addition to those identified in the Purchasers technical proposal.
- Purchaser shall provide the SCO notification of any changes to the above within 10 calendar days of the change.

E.3.2 Transfer and Hypothecation:

General Prohibition - Except as specifically provided herein or specifically approved by the Agency in writing, the Purchaser shall not directly or indirectly sell, transfer, assign, pledge, offer as collateral or otherwise hypothecate all or any part of its rights or obligations under the contract.

Attempted Transfer - Any attempted transfer in violation of the provisions of this Article shall be invalid and shall constitute a material breach of this contract.

E.3.3 Contract of Sale:

Relationship of Parties - This contract is an agreement for the sale of the material by the Agency as seller to the Purchaser. Purchaser and the Agency expressly disavow the creation of any other relationship, including without limitation principal-agent, master-servant, employer-employee, general or limited partnership, or joint venture, between the Agency and the Purchaser.

Parties to the Contract: The parties to this contract are DLA Disposition Services and their authorized representatives (the Agency) and the Purchaser. The exclusive representative of the Agency for all purposes under this contract is the SCO and all notices, demands, requests, consents, approvals, declarations, reports and other communications to the Agency from the Purchaser will be deemed ineffective unless addressed to the SCO. Communications from the Purchaser to anyone other than the SCO will not be deemed received by the Agency.

E.3.4 Authority of Sales Contracting Officer (SCO):

On behalf of the Agency, the SCO has the authority to represent the Agency and to commit the Agency to take such actions as permitted or required and to extend or waive timing requirements or deadlines as may reasonably be required under the performance of this contract. The exclusive representative of the Agency for all purposes under this contract is the SCO, and all notices, demands, requests, consents, approvals, declarations, reports and other communications to the Agency from the Purchaser shall be deemed invalid unless addressed to the SCO. Communications from the Purchaser to anyone other than an SCO shall not be deemed received by the Agency.

E.3.5 Authority of Sales Point of Contact (SPOC):

The SCO designates the SPOC to provide direct oversight of the Purchaser and/or their agents to ensure they meet the terms and conditions of the contract. The SPOC does not have the authority to make binding contractual obligations, such as adding, deleting, or modifying terms and provisions in this IFB. All changes or modifications to contractual provisions in this IFB must be approved in advance by the SCO.

E.4 ARTICLE FOUR: Contract Deposits and Financial Retention:

E.4.1 Bid Deposit:

Bid Deposits must be submitted within five (5) calendar days after receiving the final IFB. The refundable bid deposit must be in the form of a guaranteed instrument via wire transfer or Electronic Funds Transfer (EFT). The bid deposit in the amount of one-hundred thousand dollars ($100,000.00) payable to U.S. Treasury. Submission of the bid deposit must be made, and SCO must be notified when payment is made. The Agency will retain the Purchaser's bid deposit until completion of contract closure when all lines of accounting have been reconciled by the Agency. The bid deposit will be applied to any unpaid billings or to offset any other claim that the Agency may have against the Purchaser. The Agency will return any available balance of the bid deposit, without interest, to the Purchaser when contract closure has been completed, and all lines of accounting have been reconciled by the Agency. The Bidder or Purchaser hereby agrees that the Agency may use all or any portion of any refund due to satisfy, in whole or in part, any debt arising out of prior transactions with the Agency. The bid deposits of unsuccessful offerors will be returned after the conclusion of the bid opening process.

E.4.2 Payment Deposit:

Within seven (7) calendar days of notification of contract award by the SCO, the Purchaser must provide the Agency with the Deposit. The amount of the Deposit required is the average estimated acquisition value of such material to be generated during a 3-month period multiplied by 20 percent of the bid price. For deposit purposes only, $234 million will be used to calculate the deposit. For illustrative purposes, this IFB has a base period of 12-months and one of the contract minimums is listed as property having a total acquisition value of $234 million, then $234 million divided by 12-months equals $19,500,000.00 ($234,000,000/12). This is the average of the acquisition value of property generated per month. The $19,500,000.00 would be multiplied by 3 months to get $58,500,000.00 ($19,500,000.00 x 3). This is the average of the acquisition value of property generated over 3 months.

If the AHB had bid 3.5% as their bid percentage, then $58,500,000.00 (average of the acquisition value of property generated over 3 months) times the bid percentage of 3.5% equals $2,047,500.00. The deposit requires 20% of the $2,047,500.00 ($2,047,500.00 x .20), which is $409,500.00. The deposit would be $409,500.00.

The deposit must be made via guaranteed instrument wire transfer or Electronic Funds Transfer (EFT). Credit card payments are not an option due to the $24,999.99 Treasury limit. The Agency will retain the deposit until the completion of the contract. The deposit will be applied to any unpaid billings or to offset any other claim that the Agency may have against the Purchaser. The Agency will return any available balance of the deposit, without interest, to the Purchaser upon completion of contract closure when all lines of accounting have been reconciled by the Agency. The Bidder or Purchaser hereby agrees that the Agency may use all or any portion of any refund due to satisfy, in whole or in part, any debt arising out of prior transactions with the Agency.

E.5 ARTICLE FIVE: Insurance and Bond Requirements

E.5.1 Financial Guarantee Bond:

Within seven (7) calendar days notification by the SCO, Purchaser will provide the Agency a financial guarantee bond in favor of DLA Disposition Services in the amount of three million dollars ($3,000,000.00). The purpose of the Financial Guarantee Bond will be to provide a source of payment to the Agency in an amount reasonably sufficient to satisfy the financial obligations of the Purchaser or for damages arising out of a material breach by Purchaser. The Financial Guarantee Bond will be issued by such surety and in such form that are acceptable to the Agency. The Bond will be carried for the duration of the contract; however, it may be renewed on an annual basis, renewable at the sole option of the surety. Documentation of renewal must be provided to the SCO for record.

E.5.2 Insurance and Bond Contract Requirements:

Purchaser shall obtain the minimum coverage specified unless the Agency approves a variance from such minimum coverage. The Purchaser shall obtain and maintain the insurance and bond requirements throughout the performance period.

Modification of Special Circumstance Conditions: Sale by Reference (SBR) Part 5 – Additional Special Circumstance Conditions – Miscellaneous (DLA Disposition Services Form 86, Oct 93), Article D, Liability and Insurance, paragraphs (a)(2) and (a)(3,) is modified as follows:

(1) Bodily Injury Insurance in an amount of not less than two hundred fifty thousand dollars ($250,000.00) any one individual and one million dollars ($1,000,000) any one accident or occurrence.

(2) Property Damage Liability Insurance in the amount of two hundred fifty thousand dollars ($250,000.00) (which will include all property whether or not in the care, custody or control of Purchaser). The annual coverage will be not less than one million dollars ($1,000,000).

Further Modifications: Sale by Reference Part 5, Article D, paragraph (a) is also amended as follows:

(1) All risk coverage for fire and other property perils for all property owned by Purchaser with aggregate coverage of five million dollars ($5,000,000.00).

(2) Umbrella liability coverage up to two million dollars ($2,000,000.00).

(3) Fidelity or blanket bond coverage in the amount of at least five million dollars ($5,000,000.00). The Purchaser will obtain and maintain such coverage with a responsible surety company with respect to all of Purchaser's employees, officers and directors to protect Purchaser against losses, including, without limitation, those arising from theft, embezzlement, fraud, or misplacement of funds, money, or documents. The issuer, policy terms and forms and amounts of coverage, including applicable deductibles, will be satisfactory to the Agency, and the policy will include a provision that the issuer will notify the Agency in writing within five (5) business days of the cancellation or termination of any such coverage or modification of such coverage. The Purchaser will notify the Agency in writing within five (5) business days after filing a claim under such coverage.

(4) Comprehensive general liability, automobile liability, umbrella liability, Worker's compensation and other insurance coverage as may be required by law. The Purchaser may obtain and maintain such additional insurance, including directors' and officers' coverage and errors and omissions coverage.

Evidence of Insurance: Within thirty (30) business days of SCO notification, and annually thereafter, the Purchaser will provide the Agency with copies of policies, certificates of insurance, or other proof evidencing the coverage required. The Purchaser must obtain the minimum coverage specified unless the Agency approves a variance from such minimum coverage. If a specified coverage or limit is or in the future becomes commercially impractical, such approval will not be unreasonably withheld.

E.6 ARTICLE SIX: Contractor Performance:

E.6.1 Performance Period:

The performance period of the contract resulting from the IFB shall consist of a twelve (12) month base period beginning on the date agreed upon during the start of work meeting with the Purchaser. The Agency may offer four twelve (12) month option periods that may be exercised at the SCO's discretion.

The Agency and Purchaser agree that the Agency may offer an option period under the terms of this contract prior to the expiration of the base period if the maximum quantities allowed under the base period have been met. The minimum and maximum quantities offered under such an early option period may not exceed the amount authorized under the original terms of this contract. Initiating this early option period shall reduce the total performance time allowed under this contract. All performance in this option period shall continue under the terms applicable to option periods in the IFB

For any option period issued after the base period that is issued for a period of time less than 12 months, such as with a 12-month option period, the minimum and maximum will be adjusted and calculated as a percentage of the stated base period requirement. For illustrative purposes, if contract had a minimum requirement for 42,000 DTID's or property having a total acquisition value of $234 million, whichever is the lesser amount to meet the contract minimum, for a 12-month base period, then the exercise of a 8-month option period for the same contract would have a minimum requirement of 28,000 DTID's or property having a total acquisition value of $156 million, whichever is the lesser amount to meet the contract minimum for the 8-month option.

For the same option period mentioned above as an illustrative example, the maximum of the option period would also be calculated as a percentage of the stated base period requirement. For illustrative purposes, if contract had a maximum requirement for 225,000 DTID's or property having a total acquisition value of $2 billion, whichever is the greater amount to stay within the limits of the contract maximum, for a 12-month base period, then the exercise of a 8-month option period for the same contract would have a maximum requirement of 150,000 DTID's or property having an annual acquisition value of $1,333,333,333.33 Billion, whichever is the greater amount to stay within the limits of the contract maximum of the 8-month option.

	12-Month Option Period Minimum	**12-Month Option Period Maximum**
DTIDs	42,000	225,000
Original Acquisition Value	$234 Million	$2 Billion

The Government may extend the term of this contract with option period(s) by written notice to the Purchaser and the Purchaser must mutually agree to any option period(s). The Government will strive to provide written notice of its intent to exercise an option period at least one hundred twenty (120) calendar days before the twelve (12) month base period expires, but nothing precludes the Government and Purchaser mutually agreeing to a shorter period of notice. The Government will strive to provide written notice of its intent to exercise additional option periods at least sixty (60) calendar days before they expire, but nothing precludes the Government and Purchaser mutually agreeing to a shorter period of notice.

At the end of any performance period (i.e., base or any 12 month option period), if the minimum amount of property required in that performance period has been met and maximum amount in that performance period has not been exceeded, the SCO may seek mutual agreement with the Purchaser to extend the contract in length of time only and the performance period may be extended up to six (6) months or until the maximum amount of property allowed in the last performance period is met. In the event the extension is utilized, the SCO shall notify the Purchaser in writing of the Agency's intent to offer the extension at least 30 calendar days prior to the expiration of the current period of performance. The extension may be utilized in 30-day increments, a combination of 30-day increments, or in its entirety. The extension is to be utilized for time only, the minimum and maximum will not be adjusted for the additional time. The entire length of the contract, if all option periods and extensions are used, shall not exceed sixty-six (66) months.

E.6.2 Performance Phase-In Period:

The performance period begins ten (10) calendar days after the award and/or on the date agreed upon during the start of work meeting, whereby the Purchaser must be prepared to accept property. The Government will phase-in each individual field site or RIP location within the region within the first ninety (90) calendar days, and the Purchaser must be performing at all field sites or RIP locations within 90 days. The Purchaser will not be expected to immediately receive property at all field sites or RIP locations. The Government will set priorities for opening a particular field site or RIP location, but will confer with the Purchaser regarding the order of Phase-In.

The Purchaser must notify the Government one (1) week prior to the planned performance start date if they are not ready to accept property at any field site or RIP location. Upon notification that Purchaser is not ready to perform, the Agency will have the right to sell property to other buyers until the Purchaser is functional and able to receive property. The Purchaser may request acceleration of opening at a particular field site or RIP location site at any point during the phase-in period, and the Agency will respond to such request in the exercise of its sole discretion.

The Purchaser will be given a grace period of an additional ten (10) business days to remove property for the first removal request notification at each field site or RIP location that is opened within the first 90 days. During this time, property issued at Agency field sites must be removed within fifteen (15) business days, and property issued at RIP locations must be removed within twenty-five (25) business days. If Purchaser is unable to remove property within the time allotted during this grace period, Purchaser will be charged storage fees IAW Article Eleven, section E.11.7, Storage Charges, of this IFB.

E.6.3 Termination for Default:

Termination shall be effective immediately upon written notice by the Government to the Purchaser (breaching party) served upon or after the date of such a decision. If the Purchaser is terminated for default, the Purchaser is put on notice that this acts as a Sales Contracting Officer's Final Decision (SCOFD). If the Purchaser did not receive notice of its appeal rights with the letter of terminating its contract for default, the following rights apply:

Appeal Rights - This is the final decision of the Contracting Officer. You may appeal this decision to the Armed Services Board of Contract Appeals (ASBCA). If you decide to appeal, you must, within ninety (90) days from the date you receive this decision, mail, or otherwise furnish written notice to the ASBCA and provide a copy to the Contracting Officer from whose decision the appeal is taken.

The notice shall indicate that an appeal is intended, reference this decision, and identify the contract(s) by number. With regard to appeals to the agency board of contract appeals, you may, solely at your election, proceed under the board's small claim procedure for claims of $50,000 or less or its accelerated procedure for claims of $100,000 or less. Instead of appealing to the ASBCA, you may bring an action directly in the United States Court of Federal Claims (except as provided in the Contract Disputes Act of 1978, 41 U.S.C. 603, regarding Maritime Contracts) within 12 months of the date you receive this decision.

E.6.4 Termination for Convenience of Government:

The Government may terminate performance of work under this contract if the SCO determines that a termination is in the Government's interest. The SCO will terminate by delivering to the Purchaser a notice of termination specifying the extent of termination and the effective date. Note that, for purposes of this provision, the discontinuation of property referrals from a certain geographic area within the geographic scope of the contract, e.g., Florida, will not be considered a partial termination if the Government has or will otherwise meet its contract minimums for the contract. Nor will the discontinuation of referrals of a certain type of property due to regulatory or policy changes impacting disposition of certain surplus items be considered a termination.

After receipt of a notice of termination, and except as directed by the SCO, the Purchaser will immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

1) Stop work as specified in the notice.

2) Unless otherwise directed by the SCO, place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities.
3) Terminate all subcontracts to the extent they relate to sales of future property to be generated from the areas where the work or sales referrals have been terminated.

4) Unless otherwise directed by the SCO, identify to the Government any property in the Purchaser's possession in which they believe the Government has an ownership interest including any property which the Government is entitled to have returned, such as property on a DNS or DCC list, or property which the Government has specifically directed be returned.

5) With approval or ratification to the extent required by the SCO, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts and relating to the return of Government property currently in the Purchaser's possession.

6) Take any action that may be necessary, or that the SCO may direct, for the protection and preservation of the property related to this contract that is under title and/or in the possession of the Purchaser in which the Government has or may acquire an interest until surrendered to the Government or its agent. The Purchaser and SCO will agree on payment for the preservation and protection of goods. Failure to agree on an amount will be a dispute under the disputes clause.

7) This is a firm fixed price contract involving the sale of Government surplus personal property. As long as the guaranteed contractual minimums have been met, it is not anticipated that the Government will be responsible for Purchaser costs arising out of the termination of the contract in whole or in part, except such costs as may arise from the obligations to complete final reporting responsibilities and to return property for which the Government has directed return, or which is required to be returned under the terms of this contract.

If the Purchaser has any costs, it wishes the Government to consider prior to the Government assessing settlement costs, they must be submitted within fourteen (14) calendar days of final removal of returned surplus property to the Government. Any cost submitted by the Purchaser must be determined to be allocable, allowable, reasonable, and supported with documentation to the degree required by determining the settlement proposal within fourteen (14) calendar days of receipt of any submission of final Purchaser settlement costs. If the Purchaser fails to submit their proposal for settlement cost within the time allowed, the SCO may determine, based on information available, the amount, if any, due to the Purchaser or owed by the Purchaser. If the Purchaser pays for return of the property issued to them under the terms of this contract, the cost of return of the property issued will be offset by any payment the Government has already received for said property. If the Government pays for the return of property payment received for the property will be returned less any Government determined settlement costs to be paid by the Government.

The Purchaser has fourteen (14) calendar days to review the contract settlement proposal and request any additional information. Payment to be made by either party will be made within thirty (30) calendar days of Purchaser receipt of the settlement proposal. Any amount due the Purchaser may include a reasonable allowance for profit for work completed. If the Purchaser fails to pay settlement cost within the specified time, the cost will be deducted from any deposit funds available from the performance of this contract. Any remaining funds from the deposit will be returned by the Government.

If the Purchaser and the SCO fail to agree on the amount that may have been determined due to the Purchaser by the Government due to the termination of the sales contract, the SCO will pay the Purchaser the amounts determined by the SCO within the specified time. Any amount due to be paid by the Purchaser and not paid within the specified time period will be charged interest based on the rate determined by the Secretary of Treasury.

The Purchaser will have the right to appeal, under the disputes clause, from any determination made by the SCO, except that if the Purchaser failed to submit the termination settlement proposal or a request for equitable adjustment within the time provided.

In arriving at the amount due the Purchaser under this clause, there will be deducted:

1) Any claim which the Government has against the Purchaser under this contract; and

2) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Purchaser or sold under the provisions of this clause and not recovered by or credited to the Government.

This clause has the same full effect if this contract is terminated in partial.

E.6.5 Cessation of Property Referrals:

Property referred under this contract will be issued on a final removal request notification to the Purchaser prior to the date that is the earlier of either the end of the performance period or the effective date of termination by reason of the Agency or by reason of a material breach. The final removal request notification will be issued in advance of the performance period end date to ensure title transfer and property removal within the performance period. There will be no further referrals of property by the Agency to Purchaser from the performance period end date forward. Submission of Purchaser required reports will continue until completion of all requisite property removals and completion of contract closure. All issued property that has not been screened through the Quarantine Tool (Q-Tool) IAW Article Seventeen, section E.17.1, of this IFB, must be submitted for Agency review to confirm eligibility for resale prior to the end of the performance period or the effective date of termination. Property identified as controlled in the Q- Tool must be returned to the Agency prior to the end of the performance period or the effective date of termination.

E.6.6 Contract Closure:

Beginning the earlier of either the end of the performance period or the effective date of termination by reason of the Agency or by reason of a material breach, the contract will undergo closure processing whereby final reporting requirements are fulfilled and all lines of accounting are reconciled by the Agency. The Agency shall return any available balance of the prepayment, without interest, to the Purchaser at the completion of the contract closure process.

E.7 ARTICLE SEVEN: Payments

E.7.1 The Billing Cycle:

The Purchaser will pay the Agency the total amount billed each month. The Statement of Account (SOA) will reflect the billing payment amount for property that was issued to the Purchaser for the past 30 calendar days. The Purchase Price will be the Acquisition Value at the time of receipt/turn-in to the Agency for a particular item of property multiplied by the applicable Bid Percentage offered. Payment due date is 30 days from the date of the Billing Document. Purchasers are strongly encouraged to submit payment to the Agency by no later than the 20th of each month.

The billing cycle runs on or about the 24th of each month at 11:50 pm EST. For illustrative purposes, if Purchaser A won the award of the contract and acquisition price bid was 3.50%, and for the month of January the Purchaser's total removals of all item's sum is $300,000 of material purchased under this IFB, then the Purchaser would be billed $10,500 dollars for the January removal of $300,000 worth of property ($300,000 x 0.035).

E.7.2 Types of Acceptable Payments:

All payments, including those for storage charges, liquidated damages and interest shall be in U.S. currency. Acceptable forms of payment include Electronic Fund Transfer (EFT), Bank Account (ACH), or credit card (Master Card, Visa, Discover Card, and/or American Express).

When using a credit card method of payment, the credit card number, credit card security code (3-or 4-digit code on the back of the card), name as printed on the credit card, and the expiration date shall be provided. The U.S. Treasury limits all credit card transactions to $24,999.99. Transactions greater than $24,999.99 cannot be split into two or more credit card transactions.

Checks or other paper financial instruments such as personal checks, money orders, cashier's checks, travelers checks, or bank drafts will not be accepted as a form of payment.

Electronic check (ACH) transactions have a daily transaction limit of $25 Million. Electronic checks are only accepted from U.S. Banks.
Electronic Funds Transfer (direct wire transfer) can be submitted with no additional fee by the U.S. Treasury; however, fees deducted (charged) by the Purchaser's intermediary bank are the responsibility of the Purchaser, not the Agency.

Credit Card and Bank Account (ACH) payments can be made using the website at:
https://www.pay.gov/paygov/forms/formInstance.html?agencyFormId=25176217

E.7.3 How to Submit Payment:

Credit Card and Electronic Check (ACH) payments within the United States can be submitted with no additional fee to the bidder using the pay.gov platform at the following website:
https://www.pay.gov/paygov/forms/formInstance.html?agencyFormId=25176217.
Details and instructions on use of pay.gov can be obtained by the SCO.

Electronic Funds Transfer (EFT) remittance details and instructions can be obtained by the SCO. Once EFT transactions are completed, the sender must provide the SCO and Agency's Finance department with a copy of the transmittal through electronic mail (email). The SCO will provide the appropriate email address(es) to submit the required documentation.

E.7.4 Payment Confirmation:

The Government does not provide payment confirmation. The Purchaser shall submit proof of payment to the SCO, showing the type of payment, amount, and date submitted. The SCO will ensure payment is applied to the Purchaser's account.

E.7.5 Consequences of late or short payments:

Should the Purchaser fail to pay to the Agency the full amount owed as reflected on the bill each month on or before the date that such payment is due, the Agency will stop the flow of property until the account is in good standing.

SCO will notify the Purchaser that such failure constitutes a material breach of contract that the Purchaser must cure within ten (10) calendar days. The Purchaser will be assessed all applicable fees, penalties, and interest on the payment based on the current rate as determined by the Department of Treasury. All fees will be added to the next month's Statement of Account. The Purchaser cannot deduct any amount from monthly billing to offset unauthorized, or unprocessed credits, or credit requests, doing so constitutes a material breach of contract.

If full payment is not received within thirty (30) calendar days of the bill, interest will be charged on the unpaid portion at the rate established by the U.S. Treasury from the date of the bill in accordance with Section 3717 Title 31 of the U.S. Code. After thirty (30) calendar days from the bill date, we will collect from the pre-payment taking offset action against any of your unpaid invoices. If the debt is forwarded to the Debt Management Office, Contract

Pay Services, Columbus, Ohio; you will be assessed an administrative fee of $26 to cover costs specifically associated with the administration and collection of payments over 30 calendar days delinquent.

If full payment is not received within 90 calendar days from the date of the bill, we will transfer the debt to the Debt Management Office for collection and an additional administrative charge of $50 will be assessed. They will continue the collection process and if unsuccessful, will transfer the delinquent debt to the Department of Treasury for further collection. As a result of this transfer, the following actions may be taken:

- The debt will be subject to the Department of Treasury offset from Federal payments due (you or your company, as applicable). A fee for each offset made will be added to the debt as part of the administrative charge. Federal payments eligible for offsets include contract payments, Federal income tax refunds, and other payments not exempt.
- The debt may be reported to a credit bureau.
- The debt may be referred to a private collection agency. In such instance, a fee for collections made will be added to the debt as part of the administrative charge.
- The debt may be referred to the Department of Justice for litigation. In such case, an administrative cost will be added to the debt.

You may inspect and/or request a copy of the records pertaining to this debt. If you believe the debt is invalid or the amount is incorrect, please contact us immediately. If you are financially unable to pay the full amount of the debt, you may request a written agreement to pay the debt in installments. Your request for an installment agreement should be in writing and supported by certified statements of income and financial position covering the last 12 months. The point of contact for this debt is the SCO listed in your award document.

E.8 ARTICLE EIGHT: Product Pool, Property Referrals, and Exclusions

E.8.1 Product Pool:

Surplus property refers to property that no longer meets the needs of federal agencies, whether due to excess, obsolescence, or changes in mission requirements. This status of property is not declared arbitrarily but is a result of a comprehensive analysis by the appropriate federal entities.

Surplus personal property offered under this IFB is an item of personal property that has been determined to be safe to sell with a DEMIL code A, F or Q6 in Federal Logistics Information Systems (FLIS) programs WEBFLIS, FEDLOG, PUBLOG and others according to the coding standards of DoD Manual 4160.28. Such property includes both non-rolling stock and rolling stock, which consists of self-propelled wheeled and track mounted vehicles (such as passenger motor vehicles, trucks and dozers) and trailers with or without property permanently affixed to it (such as semi-trailers, cargo trailers and special purpose trailers). Property that has an expired shelf life or shelf life that will expire within thirty (30) calendar days of joint inventory inspection (excluding tires), is deemed hazardous material, or contains hazardous material shall be excluded from this sale. Property that has an expired shelf life or shelf life that will expire within thirty (30) calendar days of joint inventory inspection (excluding tires), is deemed hazardous material, or contains hazardous material shall be excluded from this sale.

Surplus personal property that is sold by DoD is in "as-is, where-is" condition. Under GSA regulations, federal agencies must make excess personal property available for: (1) reutilization within their agency or to special programs; (2) transfer to other federal agencies; or (3) donation to specified eligible entities, before an item is eligible for sale to the public. Under section 102-36.240 of GSA regulations excess personal property includes "new" property, "usable" property, "repairable" property, or "salvage" property as defined in that regulation. Surplus personal property under this IFB has been determined to be "new", "useable" or "repairable' under the GSA definitions. Surplus personal property offered under this IFB does not meet the definition of scrap, which has no value except for its basic material content. While DoD turn-in customers provide a supply condition code of A-H on all DTIDs for all property turned into the Agency, these codes are used in the DoD supply system as classifications for materiel in terms of readiness for issue and use, or to identify action underway to change the status of materiel. They do not directly correspond to the suitability of property being made available for reutilization, transfer, donation or sale. Agency personnel make an independent determination on whether the property should be classified as scrap because it has no value in excess of the item's material content and/or whether an item is suitable for reutilization, transfer, donation or sale as surplus.

All property covered under this contract is being sold "as-is" and "where is." No request for adjustment in price for any item or rescission of the sale will be considered. This is not a sale by sample and property issued under the terms of this contract may not be rejected by the Purchaser. The USG is the sole arbiter of whether property is considered surplus under its property regulations and thus eligible for referral under this contract. Purchaser's opinion, ability to sell or market, or the availability of customers for items have no bearing on whether the government considers the item surplus. No changes, modifications, downgrades to scrap, or reduction of acquisition value will be applied. Under no circumstances is culling for the purpose of effecting partial or incremental removals authorized.

E.8.2 Line-Item Excessive Value:

Any line item with a reported acquisition value in excess of $3M (three million dollars) will be excluded from this contract at the sole option of the Purchaser. Property with an acquisition value in excess of $3M must be identified during the joint inventory inspection prior to property removal and title transfer in order to be withheld from issuance to the Purchaser. Property with an acquisition value in excess of $3M that is identified after issuance and/or title transfer must be requested for SCO approval to exclude from this contract. It is solely within the Agency's discretion to allow for the exclusion and/or return of items after signed acceptance title transfer has occurred, but the Agency will review them on a case-by-case basis. The SCO must be notified by the Purchaser within seven (7) calendar days of title passing to the Purchaser of the reported item. Any reported items will be returned to the Agency and the Purchaser's purchase price will be refunded by the Agency. The Purchaser will be responsible for any cost associated with the return of property to the Agency.

E.8.3 NSN/LSN Acquisition Values and the Challenge Process:

Each line item of property will be identified by either a National Stock Number (NSN) or a Local Stock Number (LSN). An NSN is simply the official label applied to an item of supply that is repeatedly procured, stocked, stored, issued, and used throughout the federal supply system. It is a unique item-identifying series of numbers. When an NSN is assigned to an item of supply, data is assembled to describe the item. Some data elements include information such as an item name, manufacturer's part number, unit price, and physical and performance characteristics. NSNs are an essential part of the military's logistics supply chain used in managing, moving, storing, and disposing of material.

LSNs consisting of a Federal Supply Class (FSC), NATO Codification Bureau Code, and noun/nomenclature and/or part number if no valid NSN exists. LSNs are assigned when an NSN is not available or non-existent. The acquisition value of an item identified by LSN is determined by the generator and reported to the Agency on the documentation associated with release of the item by the generator to the Agency. LSN acquisition values are either the generator's recorded original procurement cost or its estimate of the item's replacement cost. In some instances, the Agency receiving personnel will correct the generator's turn-in documentation by replacing an LSN with an NSN. In such cases the item's acquisition value is that corresponding to the NSN rather than that originally reported by the generator and may not be challenged.

The Purchaser may challenge the LSN acquisition value under the following circumstances:

a. All challenges must be identified during the joint inventory prior to issuance and removal.

b. When LSN items have an acquisition value that exceeds the acquisition value of a similar and comparable item identified with a NSN, the Purchaser may request the Government to use the lower acquisition value associated with the similar and comparable item having an NSN. The burden is on the Purchaser to establish that the LSN item is similar and comparable to the item having an NSN.

c. LSN property that cannot be identified to match a similar and comparable item with an NSN may also be challenged but the burden is on the Purchaser to establish that the reported acquisition value is excessive. LSN acquisition values that are found to be priced 20% over the purchase price for a new item that is similar and comparable may be considered excessive. The Purchaser must provide evidence of current pricing from national known companies.

d. Substantiating information for disputed LSN property with an acquisition value of ten thousand dollars ($10,000) or less must be submitted for approval within one (1) week of the joint inventory.

e. Substantiating information for disputed LSN property with an acquisition value exceeding ten thousand dollars ($10,000) must be submitted for approval within two (2) weeks of the joint inventory.

f. Additional time may be approved by the SCO on a case-by-case basis.

g. The Purchaser must provide all substantiating information to the SCO for validation and approval within the specified time frames or the disputed property may be issued at the next available removal opportunity without further dispute or challenge.

h. The SCO has sole discretion to determine if the substantiating documentation establishes that an item is similar and comparable and whether the price will be adjusted.

i. Under no circumstances is culling for the purpose of effecting partial or incremental removals authorized.

E.8.4 Property Referrals:

Property that is referred for sale to the Purchaser shall be located at Agency field sites and RIP facilities. RIP locations are facilities where the Agency has received property without physically relocating it to an Agency field site. The Agency and RIP locations included in this sale are located in the Agency and receipt in Place Sites East of the Mississippi River to include the US territories of Puerto Rico and the Virgin Islands.

The Government has sole discretion to determine when and what material shall be issued to the Purchaser, and the Purchaser has a contractual obligation to purchase and accept all material referred by the Government as specified in the contract. The Purchaser is not required to take hazardous material or material that could pose a risk to national security, environmental or personnel safety or health issue such as mold and asbestos containing materials. The Agency reserves the right to sell material or offer material through alternative sales or contract means for all material not considered part of this contract.

Purchaser acknowledges that during the performance period of this contract, changes in Government processes or procedures could result in large generations of property being received by the Agency which could ultimately be referred under this contract. The Agency and the Purchaser agree to cooperate and institute special procedures as necessary in connection with property surges. The Purchaser shall not expect any other type of relief that is based solely upon or related in any manner to an unanticipated level of effort or additional effort necessary to the handling of such an influx in property.

The negotiated sale of limited amounts of other surplus personal property: On an infrequent basis, the Agency may offer personal property for sale that is not included within the scope of this IFB that requires partial mutilation, disassembly, or other services necessary to remove the property. The Purchaser is not required to accept such property under this IFB but may agree to accept the property under a separate negotiated sales contract offered by the Agency. The sales price for such property under any negotiated sale may not exceed $15,000 for the entire lot of property offered under such negotiated sale. If property is DEMIL required, Purchaser will be required to comply with all DEMIL training, surveillance requirements and DEMIL verification/certification requirements. Performance of any services under a negotiated sale (e.g., disassembly of furniture; moving and packing of furniture etc.) shall be taken into consideration in negotiating a sales price for the item or the lot. Such services shall not be compensated separately and shall not change the nature of the sales agreement under the Federal Property Management Regulations into a service contract under the FAR. Property that may be offered under these limited negotiated sales would include, but are not limited to relocatable buildings, modular furniture, furniture located in barracks and office buildings that has not been removed or packed for shipment and limited DEMIL F items that require limited mutilation or demilitarization. This provision does not constitute a right of first refusal to the Purchaser or an exclusive right to purchase such property. The Agency reserves the right, and it is within the Agency's sole discretion to offer and award negotiated sales for such personal property to any individual or firm.

E.8.5 Dangerous Property:

Purchasers are cautioned that articles or substances of a dangerous nature may remain in the property regardless of the care exercised to remove same. The Government assumes no liability for damages to property of the Purchaser or for personal injury, disability or death of the Purchaser, its employees or to any other person arising from or affiliated with the purchase, use or disposition of this material. The Purchaser shall hold the Government harmless from any and all such demands, suits, actions, or claim arising from or otherwise relating to the purchase of this material. The Purchaser shall comply with all applicable Federal, state and local laws, ordinances, regulations, and environmental standards when handling and/or disposing of said property.

E.8.6 Classified Material:

Performance of this contract neither requires nor authorizes the Purchaser to handle classified property or documents. Should Purchaser's employees handle actual or suspected classified property or documents, the Purchaser shall immediately secure the documents or property from both physical loss and compromise and immediately notify the Agency's Site Lead and the SCO of the discovery. The Purchaser shall submit a SF364 ROD. The Agency will arrange for pick up and removal of such material. Under no circumstances shall the Purchaser release the property or documents to anyone other than designated personnel. If the contents of said documents or property are at a level that requires debriefing, the Purchaser's personnel shall be made available to the proper Government authorities for this action.

Destruction of Classified property may be authorized and/or required at the direction/authority of Agency.

E.8.7 Material Potentially Presenting an Explosive Hazard (MPPEH):

The performance of this contract does not require nor authorize the Purchaser to handle MPPEH. Despite all the best efforts by the Government, MPPEH may be discovered; the Purchaser shall immediately take the necessary action for the protection of personnel and property. This shall include the evacuation and security of the immediate area. The Purchaser shall not attempt to handle or move the suspected property until a technically qualified trained Government representative investigates the incident. The Purchaser shall notify the Agency's Site Lead and the SCO of the discovery immediately and submit SF364 ROD. The Agency will arrange for pick up and removal of such material.

E.8.8 Radioactive Property:

The performance of this contract does not require nor authorize the Purchaser to handle radioactive property. Despite the best efforts of the Government to prevent the receipt or release of radioactive property by following very strict procedures, some property may activate a radiation detector alarm. If this situation occurs the Purchaser or their Agent shall immediately take the necessary action for protection of personnel and property. This shall include the evacuation and security of the immediate area. The Purchaser shall not attempt to handle or move the suspected property until a technically qualified trained Government representative investigates the incident. The Purchaser shall notify the Agency's Site Lead and the SCO of the discovery immediately and submit SF364 ROD. The Government will arrange for pick up and removal of such material.

E.8.9 Unique Items and Special Circumstances:

Airworthiness Certification: Purchaser is responsible to make arrangements with the Federal Aviation Administration (FAA) for all inspections needed to obtain airworthiness certification. The FAA provides guidance and instructions to establish eligibility for civilian airworthiness certification for surplus military aircraft and aircraft assembled from spare and surplus parts. Before an Airworthiness Certificate is issued, the assembled aircraft must be in conformity with the data forming the basis for that FAA type-certificate. The responsibility to satisfy FAA requirements lies entirely with the Purchaser and subsequent resale buyers.

Flight Safety and Critical Aircraft Parts (FSCAP): The military services are responsible for ensuring all available historical records/documentation are included when repairable Flight Safety Critical Aircraft Parts (FSCAP) are turned into the Agency. Unused FSCAP, in the original, undamaged packaging must be marked with NSN, contract number, CAGE Code(s) and part number. FSCAP items lacking appropriate records/documentation, or which are condemned, will be mutilated by the Agency and are not eligible under this contract. When a FSCAP item is transferred to the Agency, block 27 of the DTID will annotate the appropriate Criticality Code and the remarks section of the DTID will contain the letters FSCAP. Serviceable or repairable FSCAP may undergo RTD, and sales provided historical records and documentation are furnished. The Agency makes no representation as to a part's conformance with FAA requirements. As a condition of sale of a FSCAP, and prior to installing the parts, the receiving persons or organizations must subject the parts to inspection, repair, and/or overhaul by a competent manufacturer or other entity certified by the Federal Aviation Administration (FAA) to perform such inspection and repair. The aircraft parts may not meet FAA design standards, and/or may have been operated outside the limitations required under the Federal Aviation Regulations. Inspections and FAA approvals will be required to determine an aircraft part condition for safe operation, or a part's eligibility for installation on a civil aircraft.

Failure to comply with FAA requirements can result in unacceptable safety risks and subject Purchaser or subsequent resale buyers to enforcement actions. Purchaser is required to notify resale buyers that the FSCAP cannot be used on commercial aircraft in absence of specific FAA approval (usually granted by an FAA Repair Shop), and further, cannot be sold back to the DoD or to foreign governments/military without the appropriate records/documentation.

E.8.10 Other than Demilitarization Code A, Q6, or F Property:

Performance of this contract DOES NOT require the Purchaser to receive nor process other than "Demilitarization Code A, F or Q6" property. Demil F property offered under this IFB will have completed DEMIL instructions by the DoD Military Generator prior to Receipt/Turn into the Agency. Should Purchaser employees suspect that property does not meet definition of DEMIL A or Q6 or that DEMIL F property has not been through DEMIL processing, the Purchaser shall immediately secure the property and notify the Agency's Site Lead and the SCO of the discovery immediately. The Purchaser shall notify the Agency's Site Lead and the SCO of the discovery immediately and submit a SF364 ROD outlined in section O.2, Standard Form (SF) 364 Report of Discrepancy (ROD), of this IFB. The Government will arrange for pick up and removal of such material. This is not required for property identified in the Q-Tool IAW Article Seventeen, section E.17.1, Purchaser Web-Based Q-Tool Application; such occurrences will be handled IAW Article Fifteen, Property Returns, of this IFB.

E.8.11 Demilitarization Code Assignment:

Other DoD agencies have the responsibility to identify property that requires Demilitarization/Mutilation by assigning the applicable Demilitarization Code. Due to changes in requirements, these codes are subject to change without notice. The Agency has no control over the Demilitarization coding of individual items or commodity streams. The Agency 's customers determine material for turn-in. The Agency cannot forecast future commodity streams or quantities. Historical quantities are provided for planning purposes only and are not indicative, warranted, or guaranteed in any form that may indicate future commodity streams or quantities delivered under this contract.

E.9 ARTICLE NINE: Property Inspection, Loading, and Title Transfer

E.9.1 Base Access Requirements:

All locations where property is located may have strict rules that may prohibit access to some individuals. To access our facilities, an AHB or their agent shall be required to obtain base access through the host installation. The local location will be able to provide information on how to obtain base access. Purchaser is solely responsible for determining installation access requirements and complying accordingly. If necessary, the SCO can confirm that the Purchaser is performing requirements under this IFB and the resulting contract.

Applicants must show vehicle registration, proof of current vehicle insurance and identification that meets the requirements of the REAL ID ACT of 2005 to register for enrollment in the Defense Biometric Identification System (DBIDS).

The Purchaser is responsible for obtaining all base badging for laborers and transportation drivers with coordination and assistance from the Government. All personnel accessing the base must have state-approved identification or state-approved appropriate driver's licenses and be free of any warrants. The base will deny access to personnel with warrants or whose documentation or status does not meet their base access requirements. Base access requirements are subject to change and may vary by installation. It is the Purchaser's responsibility to be aware of all changes and comply as needed. (Purchaser will provide a list of personnel who will work on base prior to start of work).

E.9.2 Property Inspection:

Property that is referred for sale to the Purchaser shall be made available for inspection prior to issuance. The Agency and the Purchaser must conduct a physical joint inventory of the property at the Agency field site and/or RIP site prior to the property being released for shipment out of the Agency's control. The Agency field site shall notify the Purchaser in writing via email to schedule joint inventory. The purchaser shall confirm the schedule within three (3) business days from the date of the notice. Special circumstances may arise where the Agency will allow certain property to not be joint inventoried at an Agency field Site and or Government facility after email notification for joint inventory has been given; however, written authorization from the SCO for anything beyond the original three working days is required. The joint inventory will be conducted and documentation signed by both the issuer (the Agency or authorized representative) and the receiver (Purchaser) with all identified discrepancies annotated. Reporting of property inventoried will be provided upon request from the Agency's current property accounting system in a format at the discretion of the Government. Line-item discrepancies must be identified to the Agency at the time of the joint inventory prior to the transfer of title to the Purchaser. In all situations involving property inspection, the provision in Sections B., Item Description, & E.8.1, Product Pool, of this IFB, applies with regard to whether the property is within the scope of the contract. Discrepancies are limited to quantity overage/shortage and/or item mis-description by LSN. LSN Challenges must be handled in accordance with provisions in Article Eight, section E.8.3, NSN/LSN Acquisition Values and the Challenge Process, of this IFB.

E.9.3 Packing:

Property is packaged and unpackaged, loose in cardboard cartons, wooden boxes, crates and will be placed on pallets which are included in sale. Some bulk property will be loose on the ground (e.g., vehicles, large machinery, etc.). U.S. Government employees may assist in packing and loading as time permits but are not under obligation. It is the responsibility of the Purchaser to arrange for packing and transportation to facilitate removals.

E.9.4 United States Government Certificate to Obtain Title of a Vehicle:

The Purchaser will receive a Blank SF-97, "The United States Government Certificate to Obtain Title to A Vehicle" document for all vehicles prior to property removal. SF-97 is not a title; it is documentary evidence that provides a Purchaser with the ability to obtain a Title at the appropriate Department of Motor Vehicles (DMV). SF- 97 is accepted in all 50 states and US Territories. The Government makes no representation or claims as to the acceptance of this form outside of these areas. The SF-97 in no way serves as a waiver for payment of registration fees, nor county or State taxes assessed to the vehicle after its purchase from the Government.

If the vehicle is not intended for driving and its condition is poor and/or it is not road-worthy in its present condition the Vehicle may be sold as salvage or scrap. The Purchaser will NOT provide an SF-97 but will instead Issue a Bill of Sale under these circumstances. These provisions may also be applied to certain accident-damaged vehicles. Purchaser is also cautioned that some SF-97 documents will require "OFF ROAD USES ONLY" be stamped on the SF-97. The type of title issued will be determined at the discretion of each state's Department of Motor Vehicles (DMV). The Purchaser shall identify on the SF-97 following the Certificate number if the vehicle meets the following definitions:

OFF ROAD USES ONLY: Must be stamped on the SF-97 for all ATVs, UTVs and HMMWV's and any other designated vehicles that were not manufactured for use on federal highways or meet Federal Motor Vehicle Safety Standards (FMVSS)

It is the responsibility of the Agency to provide Blank SF-97s to the Purchaser for completion of each vehicle issued under this IFB Sale. The Agency will validate completed SF-97s from the Purchaser have the correct information and upon validation, an Agency representative will sign and return the SF-97 to the Purchaser.

The Agency will only provide one Signed SF-97 per vehicle completed by the Purchaser within a target date of 90 calendar days but not to exceed 365 calendar days from time of removal with the information available on the vehicle. The Agency will only sign off on SF-97 documents that have the Purchaser's information in the Transferee block. The Agency will not sign off on a SF-97 for a 3rd-party buyer. The Purchaser is solely responsible for issuing a re-assignment letter or Bill of Sale to subsequent Purchasers and providing a copy of the original SF-97 issued from the Government to the Purchaser. Any reassignment letter or Bill of Sale should include any restrictions on the original SF-97. If the Purchaser requires more time to provide an SF-97 to the Agency due circumstances beyond their control (i.e. influx of Rolling Stock Issued), the Purchaser will send an email to the SCO requesting an extension.

It is the responsibility of the Purchaser to secure, in a locked cabinet, the blank SF-97s, restrict access to only personnel authorized to create/complete SF-97s and to complete and validate the SF-97 is accurate. The Purchaser will submit completed SF-97's for signature to the Agency. Upon receiving completed SF-97s from the Purchaser, the Agency will validate the vehicle identified on the SF-97 was issued under this sale and all information on the SF-97 is correct. Validated and Signed SF-97s from the Agency will be mailed back to the Purchaser upon Purchaser providing shipping label. Any request for changes or modifications to SF-97 must be submitted as soon as possible upon discovery that changes or modifications are needed and must contain evidentiary matter supporting the change with photographs or other documentation to support the change. The Agency will provide further details on the process for issuance and/or changes to SF-97s below.

It is the responsibility of the Purchaser to provide at a minimum, pictures of data plates/VIN tag, odometer reading and clear view picture of the vehicle and any other necessary documents to the Agency to validate the information on the SF-97. If there is no data plates/VIN tag or identifiable information to complete an SF-97, the Purchaser will NOT complete an SF-97 for that vehicle and instead, sell/auction the vehicle with a Bill of Sale. The Purchaser will provide via excel spreadsheet a running list of SF-97s submitted for Signature/correction to the Agency on weekly basis and or as needed. Formatting of the excel spreadsheet will be agreed upon via email and versions shared. The Purchaser will mark the original SF-97 "VOID" if a correction is needed, or a blank is damaged. All voided SF-97s will be provided on the excel spreadsheet as well.

It is the responsibility of the Purchaser to fill out/complete the SF-97 with the required information listed below:

(a) Vehicle Identification No: Serial Number/VIN
(b) Certificate Number: Certificate Number of SF-97

Note: The Certificate Number will begin with SALES. The certificate number must match the actual pre-printed certificate number at the bottom left-hand corner of the SF-97, Certificate to Obtain Title to a Vehicle. Additional information can be added, such as the year, but must be before the actual certificate number. If the vehicle is identified as Off-Road Use Only, that definition will follow the certificate number. Example: SALES-21-D152788.

(c) Year: Year of vehicle identified on Data Plate or VIN Tag.
(d) Make of Vehicle: Make of vehicle identified on Data Plate or VIN Tag.
(e) Series or Model: Series or Model identified on Data Plate or VIN Tag.
(f) Body Style: Body Style of the vehicle.
(g) Fuel: Enter the type of fuel the vehicles use, i.e., gas, diesel.
(h) No. of Cylinders: Enter the number of cylinders.
(i) Weight: Enter the Weight of the vehicle.
(j) GVWR: Enter the Gross Vehicle Weight Rating (GVWR)
(k) Purchase Price: Enter the Purchase Price/Sales Price from the DO.

Note: Use the purchase price paid by the Purchaser on the delivery order. If the DTID has multiple quantities, the purchase price used should be for 1 each, not the total purchase price.

(l) Transferor:
DLA Disposition Services

Federal Building
74 Washington Ave, North
Battle Creek, MI 49037

(m) DTID: Enter the DTID assigned to the vehicle on the DO under the Transferor address.

Note: If a DTID has a Qty greater than one, the Purchaser would list after the DTID 1 of X (i.e. 1 of 2, 2 of 2)

(n) Transferee: Enter Purchaser Name and address.
(o) Date of Statement: Enter the date SF-97 is being created.
(p) Transferors Name: Enter DLA Disposition Services
(q) Odometer Reading: Enter the Odometer Reading.
By signing SF 97-1 as the transferee and entering the odometer reading, you are certifying to the best of your knowledge that the odometer it reflects the actual mileage of the vehicle/boat described above, unless one of the following statements is checked.

Check one of the following blocks if applicable:

Block 1 – I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits.

Block 2 – I hereby certify that the odometer reading is not the actual mileage: WARNING-ODOMETER DISCREPANCY.

Note: If Mileage/Odometer reading is unavailable, enter 1 for the odometer reading and check block 2.

Purchaser will then enter completed SF-97 information on the excel spreadsheet and email to the SCO and physically send SF-97(s) to the SCO for validation and signature.

It is the responsibility of the Purchaser to inform the SCO when Blank SF-97s are needed and or when the Purchaser is estimated to only have a minimum of 1,500 blank SF-97s remaining on hand.

The Purchaser must retain copies of completed SF-97s for a minimum of six (6) years after contract expiration.

E.9.5 Loading:

Typically, Monday-Friday 7:00AM-3:00PM excluding federally recognized holidays.
The Agency will tailgate load property up to the maximum capacity of the field site loading equipment capabilities. Tailgate loading entails the initial placement of the property by Agency personnel on the conveyance(s) furnished by the Purchaser; the initial placement on the Purchaser’s conveyance shall be determined by the Government. The Government will not double-stack property on the conveyance(s) furnished by the Purchaser. The Government will not block, chock, brace, lash band or in any other manner secure the cargo on such conveyance(s) furnished by the Purchaser. The Purchaser is responsible for providing and operating MHE to load property for removal if the field site does not have the MHE capabilities.

The Purchaser may provide MHE to assist with loading property at Agency facilities. On occasion, special circumstances may arise where the Agency will require the Purchaser to assist with loading property for removal. The Agency will notify the Purchaser in writing at least two (2) weeks in advance of the property removal and will coordinate the appropriate MHE required. Agency field sites that may require assistance include but are not limited to:

DLA DS Anniston, Bragg, Columbus, Eglin, Jacksonville, Lejeune, Letterkenny, Meade, Norfolk, Richmond, Susquehanna and Warner Robins,

RIP location loading will be the responsibility of the Purchaser. The Purchaser is cautioned that RIP location loading will be the responsibility of the Purchaser. The Agency or the USG will not provide MHE or any assistance to remove the property from RIP locations.

E.9.6 Title Transfer:

Title shall transfer when property is released by the Agency and is accepted by the Purchaser or their agent, as indicated by their respective signatures on release documentation that lists the item and quantity agreed to. Reporting of property inventoried and/or released will be provided from the Agency's current property accounting system in a format at the discretion of the Government. An appropriate release document will be provided by the Agency and must be signed by both the Agency representative, issuing the property and the Purchaser, or their agent, at the time of property removal from Government premises.

E.9.7 Risk of Loss:

The risk of loss or damage to material purchased under this IFB is borne by the person who possesses title at the time of the loss or damage occurring. This means that the title and risk of loss related to the material purchased under this IFB shall transfer from the Agency to the Purchaser at the time both parties sign the provided documentation of validated property released by the Government. This specifically applies to property left at RIP location sites. While the Government remains responsible for acts or omissions attributable to Government employees, contractors or other USG agents, the Purchaser assumes the risk of loss for all property damaged by natural disasters or other casualty or acts of God after title has transferred.

E.10 ARTICLE TEN: Discrepancies and Reimbursable Items

E.10.1 Credit for Line-Item Discrepancies:

The Purchaser must notify the Government of any line-item discrepancies (i.e., quantity overage/shortage, item mis-description by LSN) as noted in section B, Item Description, of this IFB. Discrepancies for credit adjustment must be identified during the joint inventory or prior to the transfer of title. No additional credit requests will be authorized after signed title transfer has occurred between the Government and the Purchaser. Failure to provide notice of an alleged discrepancy in accordance with the criteria set forth in this paragraph will result in denial of the line-item discrepancy.

Discrepancies identified after issuance to the Purchaser must be approved by the SCO for reimbursement. If approved, the purchase price will be refunded by the Agency to the Purchaser. The amount of any credit to which the Purchaser is entitled shall be deducted from the amount of the Purchaser's statement of account (SOA) when validated by the SCO. The burden of proof for all credit requests falls on the Purchaser.

E.10.2 Standard Form (SF) 364 Report of Discrepancy (ROD):

The Purchaser, for any discrepancy or questionable item identified after property removal and/or title transfer to the Purchaser, shall initiate a SF 364 ROD (i.e., shipping, packaging etc.). The Purchaser shall complete SF 364 ROD and submit it to the Agency personnel on location for any property or shipment in question to receive resolution. When resolved locally prior to property removal, the SF 364 ROD shall be completed and sent to the SCO. When a discrepancy cannot be resolved locally or the property has been removed from the Agency's facility, the property shall be segregated and identified by the Report Number. A copy of the SF 364 ROD shall be stored with the property until the final disposition has occurred. A copy shall be submitted to the SCO requesting disposition instructions and/or further resolution if required.

E.10.3 Requests for Reimbursable Emergency and Extraordinary Costs:

E.10.3.1 Payment of Emergency and Extraordinary Costs, formerly known as Seller Indirect Costs (SIC):

Pursuant to an emergency and extraordinary mission change or one-time event not related to regular, re-occurring and incidental operational changes that will be expected under this contract, the Purchaser may be reimbursed for emergency and extraordinary costs when approved in advance by the SCO, and prior to contract performance. At no time will emergency and extraordinary costs include "lost profits" or "potential re-sale revenue." Regular, re-occurring and incidental operational changes that will be expected under this contract are defined as: changes, fluctuations, or in-scope surges in property volume; sudden or significant changes to type of property received, or the property mix, as well as fluctuations in the generations at any particular site; changes to site locations, facilities, RIP generator locations; internal operating parameters; property inspection procedures; property issuance and title transfer verification procedures; systems changes IT; hours of operation etc. Request for reimbursement of costs for these regular, re-occurring and incidental operational changes will not be granted, since this is a firmed fixed price, and not a profit sharing/cost sharing contract, as past Commercial Venture (CV) contracts have been. There are no “distributions otherwise payable to DLA Disposition Services” from which such costs can be deducted. Thus, the use of “Seller Indirect Costs” from previous CV contracts is a misnomer in the context of this firm fixed price sale.

When costs are permitted under this provision, they must be allocable, allowable, reasonable, auditable, and pre-approved by the Agency SCO on a case-by-case basis prior to being executed by the Purchaser. Agency approval of such costs must be in writing and not assumed to be approved. Such costs are never authorized for reimbursement of lost profits and property surges within the scope of the contract. Under no circumstances is DLA/Government responsible for any assumptions, planning factors, or decisions the Purchaser made related to determining their bid. The Government expects the buyer to fulfill all the requirements under this contract at the bid price provided by the Purchaser. At no time will the Government pay the Purchaser to take property, sell property, or adjust bid pricing of contract or individual item due to the Purchasers inability to sell or market the property streams. The Government is not responsible for any indirect, inconsequential, or completeness (through assumption of sales value, act or omission of factors) expenses related to performance under this contract. The Purchaser’s bid always represents an irrevocable offer by the bidder to enter a binding contract to purchase the property in accordance with the specific provisions of the IFB/soliciting and these general terms and conditions.

E.10.3.2 Other Reimbursements Explicitly Allowed under Specific Articles Within the IFB:

For internal accounting purposes, reimbursement explicitly allowed in specific articles of this IFB will also be treated as Emergency and Extraordinary reimbursements for reporting purposes and to ensure compliance with the documentation and pre-approval requirements, although they do not meet the strict definition of an Emergency and Extraordinary cost. For instance, under Article 15, when property is returned to the Government, the reimbursements explicitly allowed under those provisions will be paid as Emergency and Extraordinary reimbursements.

E.10.3.3 Supporting Documentation:

Each request for an reimbursement will be supported with documentation (including records in an electronic medium) that adequately demonstrate that each such disbursement is in the proper amount for goods or services actually provided in advance of such disbursement to include but not limited to: Purchaser paid invoices, work study results, estimates from a disinterested party, and any other documentation that support the Purchaser costs directly related to the emergency and extraordinary mission change or onetime events that are not related to day to day operation changes.

E.11 ARTICLE ELEVEN: Property Storage and Removal:

E.11.1 Temporary Staging Areas on Government Facilities:

The Agency will not provide the Purchaser with permanent indoor or outdoor storage space for property, or any space to store equipment, including MHE, at any location where the Purchaser is required to remove property at Purchaser’s expense, except as noted herein. Temporary storage areas with a minimum capacity of twenty-four (24) pallet spaces will be provided for property to accumulate before Purchaser removal. Additionally, space equivalent to three (3) pallet spaces will be provided for packing, crating and handling supplies. Agency Area Managers may approve additional temporary storage space on a case-by-case basis. MHE and/or other equipment may not be stored in these temporary storage areas unless approved by the Agency Area Manager IAW M.1, Material Handling Equipment (MHE). The Agency will move property to the temporary storage location for shipment to the Purchaser’s storage facility. This temporary storage location is provided to the Purchaser for packing, crating, handling, and transportation coordination only. Purchaser may be provided temporary bulk outdoor storage at the discretion of the Agency Area Manager.

E.11.2 Purchaser Owned Storage Facilities:

E.11.2.1 Storage Location for Direct Shipment from Government:

The Government reserves the right to implement direct shipment practices for any or all property during the performance period of this contract and the Purchaser will be provided with written notice a minimum of ninety (90) business days prior to changes occurring. The Purchaser must identify one (1) location within the East region for receipt and storage of surplus personal property shipped directly from the Government to the Purchaser at the Governments' expense, should the Government in its sole discretion decide to implement such a practice.

E.11.2.2 Controlled Property Storage:

Purchaser is required to provide controlled storage space within each warehouse and/or facility utilized for storage of surplus personal property issued in this contract. The storage space must be gated from floor to ceiling and locked with the capability of storing up to ten (10) pallet spaces of property. Non-warehouse and/or exterior storage space for bulk items (e.g., vehicles) that are identified as controlled must be secured in a fenced, locked area.

Access to the space must be controlled with limited access to the space. Purchaser will send a transportation request via email to the SCO for controlled property return transportation requests. After property has been cleared for return shipment by the Agency, the Purchaser will perform all packing, handling, and crating to include loading, block, and bracing of the Governments' conveyance as needed for shipment back to the Agency. The Agency will refund the Purchaser its purchase price for such items. The Purchaser should not expect any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary to the handling of any item on the DNS and DCC lists prior to release to resale customers. For property removed from Agency sites or RIP locations, the Purchaser is not limited on the number or location of storage locations, other than all storage locations must be within the U.S.

E.11.3 Property Removal:

Typically, Monday-Friday 7:00AM-3:00PM excluding federally recognized holidays.

All locations where property is located may have strict rules that may prohibit access to some individuals. To access our facilities, the Purchaser is required to obtain base access through the installation and/or Sales POC in advance of all scheduled conveyance/transportation arrangements. This includes, but is not limited to, days and times of conveyance arrival and out loading, as well as Government facility MHE capabilities. The site will be able to provide information on how to obtain base access. The Purchaser is solely responsible for determining installation access requirements and complying accordingly. If necessary, the SCO can confirm that the Purchaser is fulfilling requirements under this IFB and the resulting contract.

E.11.3.1 Property Removal from DLA Disposition Services Facilities:

Property must be removed from Government facilities and title transfer completed within five (5) business days upon the Agency's removal request notification to the Purchaser containing a list of property pending removal. Reporting property pending removal will be provided from the Agency's current property accounting system in a format at the discretion of the Government. Removals must be scheduled to occur during the Agency field sites' normal working hours. The Purchaser will pay for all packing, handling, crating and transportation costs associated with shipments.

E.11.3.2 Property Removal from Receipt in Place (RIP) Facilities:

Receipt In Place (RIP) locations will be identified to the Purchaser by the Government on the list of provided property pending removal. Reporting property pending removal will be provided from the Agency's current property accounting system in a format at the discretion of the Government. RIP locations are located at alternate sites that are not under direct Agency control. They may be on or off military installations. The physical joint inventory must be conducted in person IAW Article Nine, section E.9.2, Property Inspection, of this IFB. Property must be removed from Government facilities and title transfer completed within fifteen (15) business days upon the Agency's removal request notification to the Purchaser containing a list of property pending removal. Removals must be scheduled to occur during the RIP personnel's normal working hours through coordination with the Agency Sales POC. The Purchaser will pay for all packing, handling, crating and transportation costs associated with shipments.

E.11.4 Removal Extensions for Special Circumstances:

Special circumstances may arise where the Agency will allow certain property to remain at a government facility beyond the allocated five (5) or fifteen (15) business days; however, prior written authorization from an Agency Area Manager for these exceptions are required. The Agency Area Manager may authorize additional time for the property to be removed, typically not to exceed a total removal time of thirty (30) calendar days. Removals requiring more than thirty (30) calendar days must be approved by both the Agency Area Manager and the SCO, not to exceed sixty (60) calendar days.

On a limited basis, special circumstances or projects may arise that require more than sixty (60) calendar days to remove property. The Agency will coordinate with the Purchaser to establish a removal timeframe; however, the Agency will make the final determination on the appropriate amount of time for the property to be removed which will be stipulated in writing to the Purchaser.

The Purchaser will pay for all transportation costs associated with shipments of surplus property from Agency sites or RIP locations. The Purchaser will coordinate with the Sales POC for Purchaser's conveyance pick up time frame. On the agreed day of pick-up, the Agency will load up to the maximum capacity of the equipment at the Agency field site only. Agency personnel will make the initial placement of the property on conveyance(s) furnished by the Purchaser and the initial placement of the Purchaser's conveyance will be determined by the Government. The Government will not block, chock, brace, lash band or in any other manner secure the cargo on such conveyance(s) furnished by the Purchaser. Purchaser personnel will not be permitted to operate the Government-owned MHE. The Purchaser is cautioned that RIP location loading will be the responsibility of the Purchaser. The Agency or the USG will not provide MHE or any assistance to remove the property from RIP locations.

E.11.5 Resale-In-Place at Government Facility:

The Purchaser should not assume property may be resold on a government facility. Reselling property at Government facilities will be on an extremely limited case-by-case basis. The Purchaser is not permitted to conduct property resale on a government facility without the expressed written authorization of the Agency Area Manager, regional Agency DSD, and SCO for each item in question prior to issuance to the Purchaser. Property authorized to be resold on a RIP location must be removed within sixty (60) calendar days of issuance to the Purchaser. The Purchaser is responsible for ensuring their resale customers have met the security requirements to enter the facility and are responsible for always escorting their customers. Purchaser and Purchaser's resale customers will have access to property for inspection, reselling, packing, loading, or shipping only during hours that such facility is normally staffed. The Purchaser will coordinate such access with the management of each facility and the Agency Sales POC. The Purchaser is responsible for any damage caused to any Government equipment or facility that arises out of the negligence of the Purchaser, its vendors or resale buyers, to include the clean-up of any hazardous material spills. Additionally, DOD customers may require additional storage space; therefore, property issued to the Purchaser may be required to be relocated by the Purchaser and at the Purchaser's expense.

The Government reserves the right to implement storage charges for property not removed within the required five (5) or fifteen (15) business days IAW Article Eleven, E.11.7, Storage Charges, of this IFB.

Property left on Government premises longer than sixty (60) business days will, at the Government's sole discretion, revert to Government ownership and control without refund of any Purchaser monies received. The Agency will include such charges on the monthly Statement of Account and the cost for the storage will be the total responsibility of the Purchaser.

E.11.6 DLA Disposition Services Infrastructure:

The Purchaser acknowledges that the Agency may add, reduce or change its infrastructure, including without limitation by opening, relocating, or closure of field locations. The Purchaser further acknowledges that this contract will remain in force notwithstanding such infrastructure addition or reduction/change measures that the Agency in its sole discretion may implement. Such changes will require the Purchaser to relocate workforce and equipment as needed, at the expense of the Purchaser to include transportation. The Purchaser will be notified a minimum of thirty (30) business days prior to changes. The Purchaser will not expect any equitable relief or any other type of relief that is based upon or related in any manner to an unanticipated level of effort or additional effort necessary.

E.11.7 Storage Charges:

The Purchaser will be charged storage charges for each DTID not removed from the Government facility within five (5) business days at Agency field sites or fifteen (15) days at RIP locations, upon the Agency's notification to the Purchaser requesting property removal, unless prior approval has been granted by the Agency Area Manager. Normally, approval will not exceed thirty (30) calendar days.

The Government reserves the right to implement storage charges for property not removed within five (5) business days at Agency field sites or fifteen (15) days at RIP locations after Agency notification requesting removal. A $100.00 per DTID, per day may be applied by the Government for any item(s) that are not removed from Government premises within five (5) business days after the Agency requests property removal.

For items permitted for resale-in-place on a government facility, storage charges in the amount of $100.00 per day, per DTID, will apply for items not removed after the end of the authorized sixty (60) calendar days. Under no circumstance will former surplus Government property sold to the Purchaser remain on Government premises beyond sixty (60) business days after the Agency requests property removal.

Property left on Government premises longer than sixty (60) business days will, at the Government's sole discretion, revert to Government ownership and control without refund of any Purchaser monies received. The Agency will include such charges on the monthly Statement of Account and the cost for the storage will be the total responsibility of the Purchaser.

E.12 ARTICLES TWELVE: Government Furnished Equipment (GFE) and Purchaser Owned Equipment:

E.12.1 Material Handling Equipment (MHE):

When MHE is required, the use of MHE at each Agency location shall comply with all Federal, state, local and DoD requirements. Purchasers shall be required to use their own personnel to operate their MHE. Purchaser is required to provide documentation to the SPOC upon request that personnel are trained in accordance with 29 CFR 1910.178 to operate the MHE and shall ensure that all personnel possess the required licenses to operate the MHE. The Purchaser shall ensure that all work is performed in full compliance with all Federal, state, local and DoD occupational safety and health regulations. All incidents, including near miss incidents, involving the operation of MHE shall be reported in accordance with the Agency and location regulations. Agency staff will provide awareness training for specific, known hazards in and around the worksite areas of operations as needed.

The Purchaser is responsible for providing and operating MHE to load and/or remove property if the field site does not have the MHE capabilities. The purchaser may store MHE provided to load and/or remove property from Agency facilities with prior written approval by the Agency Area Manager. The Purchaser must provide written indemnification of the Agency from and against any and all claims, liability, loss, costs, damages or expenses, including without limitation all reasonable legal fees, which the Agency may incur, suffer, or be required to pay arising in any way from or in connection with the storage or Purchaser's use of the MHE at the facility, prior to MHE being approved for storage. Maintenance of Purchaser's MHE is not permitted on Government facilities. Purchaser's MHE may not be stored at RIP locations.

The Agency or the USG is not obligated to provide MHE or any loading assistance to remove the property from RIP locations.

E.12.2 Requirement for Purchaser to use Purchaser owned MHE:

The Purchaser must provide MHE as necessary to meet terms and conditions. Purchaser shall not allow Agency personnel to use Purchaser owned equipment. All equipment used for contract performance at an Agency location is subject to the approval of the Agency and subject to installation constraints.

E.12.3 Government Furnished Equipment (GFE):

No GFE is provided. Purchaser personnel will not be permitted to operate the Government-owned MHE.

E.13 ARTICLE THIRTEEN: Demilitarization Codes, Export Control Requirements, and Prohibited Sales:

E.13.1 Demilitarization Codes:

Demilitarization code is a single alpha character assigned to the item. For the purposes of this IFB, the following definitions are provided:

DEMIL Code A – Items subject to the Export Administration Regulations (EAR) in parts 730-774 of Title 15, Code of Federal Regulations (CFR) (CCLI or EAR99) and determined by the DOD to present a low risk when released out of DOD control. No further demilitarization or mutilation is required. May require an export license from Department of Commerce.

DEMIL Code F – United States Munitions List (USML) or Commerce Control List (CCL) Military Items. Demil F property offered under this IFB will have completed DEMIL instructions by the DoD Military Generator prior to Receipt/Turn in to the Agency. The Purchaser is NOT responsible to perform any DEMIL requirements under this IFB. Even though DEMIL has been completed, items may still require an export license from Department of Commerce.

DEMIL Code Q6: Deml Q items with integrity code 6 are considered safe to sell in the United States. End use certificate and export licenses required by Department of Commerce.

E.13.2 Export Control Requirements:

U.S. export control regulations will apply to all subsequent sales or transfers of property purchased from the agency. The purchaser is responsible for compliance with those laws.
The Bureau of Industry and Security (BIS) advances U.S. national security, foreign policy and economic objectives by ensuring an effective export control and treaty compliance system, and by promoting continued U.S. leadership in strategic technologies. BIS accomplishes its mission by maintaining and strengthening adaptable, efficient, effective export controls and treaty compliance systems, along with active leadership and involvement in international export control regimes. If required, on Destination Control Statement BIS form 711 (All exports of CCL not designated as EAR99, unless export is made under License Exception BAG or GFT. the minimum BIS statement is as follows: “These items are controlled by the U.S. Government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end- user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from U.S. Government or as otherwise authorized by U.S. law and regulations.” https://www.bis.gov/

U.S. Export Administration Regulations (EAR) - Links to important EAR information for exporters. https://www.state.gov/strategictrade/resources/c43182.htm. U.S. Department of Commerce, Bureau of Industry and Security https://www.commerce.gov/ Bureau of Industry and Security Mission: Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. https://www.bis.gov/
The Purchaser warrants and covenants that none of the items identified in the Public Sales offering and listed on its Public Sales contract shall be directly or indirectly used or disposed of for military use or exported unless a full disclosure of the origin of the property is made by the Purchaser.

Items in the product pool, including DEMIL A property, may be subject to export control restrictions.

Once title transfers, the Purchaser shall consult with Department of State and Department of Commerce export control regulators if there are doubts about the type of export controls that apply to any item, regardless of DEMIL code. The Purchaser may request formal Commodity Classification from the Department of Commerce, Bureau of Industry and Security, or submit a General Correspondence request to the Department of State, Directorate of Defense Trade Controls. Information on managing exports of CCL items can be found at the Bureau if Industry and Security website at https://legacy.export.gov/csl-search.
The Purchaser shall comply with U.S. export control laws and regulations. The Purchaser is referred to the EAR including parts 732, 736 and 746. The Purchaser is advised that USML and CCL items may not be sold in foreign countries or to foreign persons unless there is compliance with Department of State/Commerce licensing requirements, or a proper determination is made that no license is required.

The Purchaser shall notify all subsequent Purchasers, in writing, of their responsibility to comply with U.S. export control laws and regulations. The Purchaser shall refer buyers in writing to the EAR, and provide them guidance and information in subchapter C, parts 732, 746, and 736. Specifically, the Purchaser shall advise buyers that exports of these items may require licenses when destined to certain prohibited entities or destinations and this property may not be re-exported or transferred in contravention of the General Prohibitions specified at 15 CFR Part 736.
The Purchaser is cautioned that prior to resale of the property acquired under this contract, they should become familiar with their customer and the purposes for which it is acquiring the property. The U.S. export control regulations specified above may apply to subsequent transactions of the property. The Purchaser shall obtain a statement from the buyer, containing information like that contained in the Government's EUC, and must check any prospective buyer to ensure the buyer is not on the Department of Commerce proscribed party list (entity and person), and prohibited country list; that the transfer shall not violate 15 CFR Part 736 and issue a destination control statement in accordance with the EAR. Additional Information on managing exports of CCL items can be found at the Bureau if Industry and Security (BIS) website at https://www.trade.gov/data-visualization/csl-search.

The Purchaser shall retain all relevant export control information on file for all prospective resale buyers and transactions. The Agency or any other U.S. Government entity including investigative and enforcement agencies must make this information available for review within three (3) business days of notification. Failure to obtain and maintain such data may result in a negative determination of responsibility and prevent participation in future Public Sales contracts with the Government. The Purchaser shall refer to the BIS website provided above, for information on compliant export management policies.

E.14 ARTICLE FOURTEEN: Inventory Assurance:

E.14.1 Do-Not-Sell (DNS) List:

As often as necessary, the Agency will furnish the Purchaser a DNS List representing items that are or have become controlled and no longer eligible for sale. The Purchaser is required to process their current inventory against the DNS List whenever an updated DNS List is provided. The Purchaser is required to return any item identified on the DNS List that is in the Purchaser's current inventory and not physically removed by a resale buyer. The Purchaser will do all packing, handling, and crating to include loading blocking and bracing of the Governments conveyance as needed for shipment back to the Agency. The Purchaser will send a transportation request via email to the SCO for controlled property return transportation requests. The Agency will refund the Purchaser its purchase price for such items only. The Agency will not reimburse the Purchaser for any lost revenue associated with property that has been sold to a resale buyer. For property becoming controlled yet previously removed by a resale buyer, the Agency may also direct the Purchaser to notify the buyer and attempt to recover the property.

E.14.2 Demilitarization Code Change (DCC) List:

The Agency will provide the Purchaser with a DCC List reflecting DEMIL code changes as they occur. The Purchaser must run their current inventory against the DCC List whenever provided by the Agency. The Purchaser is required to return any item that becomes DEMIL required and is still in the Purchaser's current inventory, not physically removed by a resale buyer. After property has been cleared for shipment by the USG. The Purchaser will do all packing, handling, and crating to include loading, blocking and bracing of the Governments conveyance as needed for shipment back to the Agency. The Purchaser will send a transportation request via email to the SCO for controlled property return transportation requests. The Agency will refund the Purchaser its purchase price for such items. The Agency will not reimburse the Purchaser for any lost revenue associated with property that has been sold to a resale buyer. For property becoming DEMIL required and previously removed by a resale buyer, the Agency may direct the Purchaser to notify their buyer and attempt to recover the property.

E.14.3 Purchaser Responsibilities for Property Assurance:

The Purchaser must take immediate action upon receipt of a DNS or DCC list, or other notice, to ensure it does not resell items that have been identified as controlled and/or identified as being on the DNS or DCC List. Knowingly selling such an item will be considered a material breach of the contract, which, if recurring or not corrected, will threaten the Purchaser's ongoing successful performance of the contract and may result in action by the Agency to terminate the contract for default. In any instance where the Purchaser has resold an item knowing it to be controlled, or on a DNS or DCC list, the Agency will be entitled to impose a penalty of 50% of the acquisition value of any item being offered for sale or the actual resale price that was received by the Purchaser, whichever is greater. Imposition of the economic penalty described above will not preclude the Agency from considering such sales to be in material breach and seeking such other remedies as may be appropriate, up to and including termination of the contract for default. Note: In applying this or similar provisions related to property assurance and controlled property, the SCO need not have direct evidence of Purchaser employee knowledge or intent to find a breach or impose a penalty for the resale of controlled property. Instead, knowledge or intent may be inferred where the Purchaser unreasonably delays in reviewing and applying DNS, DCC or controlled property lists and notices, where the Purchaser completes or conducts sales of such property without first conducting proper checks of applicable controlled property lists and guidance, or where the Purchaser fails to exercise reasonable care in the performance of its responsibilities regarding the management, segregation and return of controlled property.

E.14.4 Sales Participation of Non-Responsive Resale Buyers:

Based on the national security threat of the property being requested to be returned, the Agency will request that the Purchaser no longer conduct a resale to non-responsive customers or those who refuse to return property believed to be in their possession. The Agency will notify the Purchaser of individuals/companies falling into this category on a case-by-case basis. The Purchaser will comply with these requests as part of its Property Assurance responsibilities. The continued sale of property to such person(s) or companies following such a Government request may be considered a Material breach that threatens the Purchaser's ongoing successful performance.

E.15 ARTICLE FIFTEEN: Property Returns:

There may be occasions where property issued to the Purchaser may have become controlled where the DEMIL codes may have changed after transfer, making them ineligible for further sales, or the Government may request the return of property due to it being mission essential for the USG or its programs. Under such circumstances, the Purchaser will comply with the following:

E.15.1 Controlled Property Not Resold – Located at Purchaser's Facilities:

Property issued to the Purchaser may have become controlled during the sales process. Property DEMIL codes may have changed after transfer, making them ineligible for further sales. Purchaser will notify the SCO of items in their inventory and/or possession that are listed on DNS List and/or DCC List, or the Agency will provide written notification to the Purchaser identifying such property. If the property was removed from Government facilities but not yet resold, Purchaser must notify the SCO no later than two (2) business days after receipt of the written notification of the location of the property. The SCO will provide direction on appropriate security measures to store the property pending shipment.

E.15.2 Controlled Property Resold – Not Removed from Purchaser's Facilities:

Property issued to the Purchaser may have become controlled during the sales process. Property DEMIL codes may have changed after transfer, making them ineligible for further sale. Purchaser will notify the SCO of items in their inventory and/or possession that are listed on DNS List and/or DCC List, or the Agency will provide written notification to the Purchaser identifying such property. Purchaser may have resold items that later become controlled and not eligible for sale. If the identified controlled item has not been removed from the Purchaser's facilities, Purchaser agrees to not allow removal and will notify the SCO of the location of the property no later than two (2) business days after receipt of the written notification to coordinate the property's return to the Agency. The SCO will provide direction on appropriate security measures to store the property pending shipment.

E.15.3 Controlled Property Resold – Removed from Purchaser's Facility:

Property issued to the Purchaser may have become controlled during the sales process. Property DEMIL codes may have changed after transfer, making them ineligible for further sale. Purchaser will notify the SCO of items recently resold within the past six (6) months that are listed on DNS List and/or DCC List, or the Agency will provide written notification to the Purchaser identifying such property. The Agency is not constrained by the 6-month reporting requirement imposed upon the Purchaser in the last sentence and may request the Purchaser seek return of any property that has become controlled that was sold at any time under this contract IAW the provisions below in this section. Within two (2) business days after receipt of the Agency notification for return, the Purchaser is required to notify their customer and request the item's return. The Purchaser must initially contact their customer by either e-mail or registered letter. If the resale buyer is non-responsive to the initial request or fails to return property that is in its possession, the Purchaser is responsible for contacting the resale buyer again within ten (10) business days of the initial contact via a certified letter. The letter will inform the resale buyer of the requirement to return property IAW 10 USC 2790. The Purchaser must provide documentation of attempts to contact the resale buyer for property retrieval to the Agency for resale buyers that continue to be unresponsive or fail to comply with required returns.

E.15.4 Mission Essential Return:

The Government may request the return of property due to it being mission essential for the U.S. or its programs. The Purchaser may return those items that have not been resold upon mutual agreement. In this case, resold items include any item that has been sold to a customer, regardless of whether the item has been physically removed by the re-sale customer. The Agency will refund the Purchaser's purchase price of the returned property and will advise the Purchaser of the return process at the Agency's expense. The Agency will not compensate for loss of revenue in the requested return of this property.

After property has been cleared for return shipment by the USG, the Purchaser will do all packing, handling, and crating, to include loading blocking and bracing of the Government conveyance, as needed for shipment back to the Agency. The Purchaser will send a transportation request via email to the SCO for controlled property return transportation requests. The Agency will refund the Purchaser its purchase price for such items. The Agency will not reimburse the Purchaser for any lost revenue associated with property that has been sold to a resale buyer.

E.16 ARTICLE SIXTEEN: Government Required Reports:

E.16.1 Inventory Reports:

Reports reflecting a complete list of all items issued by the Agency. The report must record items by DTID, location, and must identify all property that has not been removed by the Purchaser from Government facilities, and property that is currently in the possession of the Purchaser. The report must be in a spreadsheet format and include all fields provided on the removal request notification listing. The specific reporting requirements will be further coordinated between the SCO and the Purchaser during the contract phase-in period in writing.

E.16.2 Resale and Returns Report:

The Purchaser is required to provide a monthly report to the Agency, upon request, that reflects property that has been resold to include resale price, date removed, or that has been returned to the Government without resale, pursuant to the Government request. The report must be in a spreadsheet format and include all fields provided on the removal request notification listing. For items resold, the event and lot number constituting the resale must be included as well as resale customer information. The specific reporting requirements will be further coordinated between the SCO and the Purchaser during the contract phase-in period in writing.

E.16.3 Reimbursable Item Report (Formerly Known as Seller Indirect Cost (SIC) Report):

In the event reimbursements are authorized in accordance with Article 10, costs that are approved by the SCO must be reported by the Purchaser in a monthly report after the first issuance of SIC reimbursement. The report must be in a spreadsheet format and must include the proper supporting documentation. The specific reporting requirements will be further coordinated between the SCO and the Purchaser during the contract phase-in period in writing.

E.16.4 Non-Responsive Resale Buyer Report:

On a monthly basis, the Purchaser is required to provide the Agency a spreadsheet listing of resale buyers who failed to either respond or return property when requested by the Purchaser by the 15th of each month. This will be required upon the first occurrence of a failure to return the requested property. The spreadsheet must identify the applicable resale event and Lot number and include all fields provided on the removal request notification listing to include DTID, NSN/LSN, and provide the resale customer's name, address and phone number. In addition, the spreadsheet must provide the dates of the Purchaser's attempts to retrieve the property and the customer's responses/non-responses, to include provided evidence that the property has been sold or transferred or is not otherwise in their possession. The specific reporting requirements will be further coordinated between the SCO and the Purchaser during the contract phase-in period.

E.17 ARTICLE SEVENTEEN: Contract Operational Requirements:

E.17.1 Purchaser Web-Based Application (Q-Tool):

The Purchaser must develop a web-based application for use on this contract with regard to reviewing property to determine and confirm sales eligibility. The Government and Purchaser will refer to this application as the Quarantine Tool (Q-Tool). Ultimately, the Q-tool will serve as a 5-business day Government preview area of all items the Purchaser is preparing to offer for sale. During the 5-business day preview, the Purchaser is not allowed to make property visible to the general public. The Government must notify the Purchaser of any item not eligible for sale within the 5-business day preview time. All issued property must be submitted for Agency Q-Tool review to confirm eligibility for resale prior to the end of the performance period or the effective date of termination. Property identified as controlled in the Q-Tool must be returned to the Agency prior to the end of the performance period or the effective date of termination.

All property approved as a result of the Q-Tool application must be offered for sale on the Purchaser's web site or retail centers with a system generated icon/marker identifying the item as having been reviewed by the Government prior to posting for sale. If the Purchaser reassigns a previously approved item to another sales event, the item must be returned to the Q-Tool with the system generated icon/marker. The Q-Tool application must have the ability to export the data into a spreadsheet format and must include the following fields:

- Sale Event ID Number/Lot Number
- Site Location of the Property
- Federal Supply Class (FSC)
- National Item Identification Number (NIIN) or Local Stock Number (LSN)
- Item Name/Description
- Part Number
- Demilitarization Code
- Manufacturer and associated CAGE Code
- Quarantine Date
- Quantity
- Acquisition Value
- DTID
- Condition Code
- End Use of Item (if available)
- Photographs of all data plates, sides of the exterior and sides of the interior

The Purchaser shall grant to the Agency the following royalty free, world-wide, nonexclusive, irrevocable Government purpose license rights in the computer data base to be developed and maintained pursuant to this IFB at a cost to the Purchaser, which requires the Purchaser to develop and maintain a web-based application and provide access to the Agency personnel assigned to conduct the property review for use on this contract to determine and confirm sales eligibility.

E.17.2 Purchaser Awareness of the Agency's Environmental Management System (EMS):

The Agency implemented Environmental Management System (EMS) in accordance with ISO 14001:2004(E). An EMS is an overall management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy of an organization. The Agency's EMS is designed to ensure all personnel, including Purchasers whose work activities are being conducted on Government premises and could cause real or potential environmental impacts, are aware of how their work supports the EMS.

E.17.3 Inventory Assurance by Purchaser:

E.17.3.1 Do-Not-Sell/DEMIL Code Change List:

Initially and then periodically thereafter, the Agency will furnish the Purchaser a Do-Not-Sell (DNS) List and a DEMIL Code Change (DCC) List representing items that are or have become controlled and no longer eligible for sale or that have experienced a DEMIL code change. The Purchaser is required to process their current inventory against the DNS/DCC List whenever an updated List is provided by the Agency. When property is located, the Purchaser is required comply with requirements in Article Fifteen, Property Returns, for returning the property.

E.17.3.2 Disposition Services Verification of Assurance Process:

The Agency's Controlled Property Verification Office (CPVO) will review items that the Purchaser is offering for sale to ensure items appearing on the DNS List or DCC List are not being sold. The SCO may assess a penalty of 50% of the acquisition value or the actual resale price that was received by the Purchaser, whichever is greater, of any item the Agency has identified to the Purchaser as not eligible for sale based on the item commodity or demilitarization code, yet the Agency finds it for sale on the Purchaser's website. The repeated offering of controlled items on the DNS or DCC lists may be considered a material breach of the terms of the contract and endanger continued performance.

E.17.4 Handling Ozone Depleting Substances (ODS) Containing Personal Property:

E.17.4.1 Scope and Applicability

The Agency reserves the right to determine the location(s) (to include RIP locations) and volume when issuing property containing ODS and may vary the same as determined to be in the best interest of the Government.

E.17.4.2 DLA Disposition Services Requirements:

Whenever the Agency offers the Purchaser small appliances or other ODS containing property that uses refrigerants, the Agency will provide the Purchaser with a written statement attesting that the property either contains refrigerants or that the refrigerants have been removed. For property no longer containing refrigerants, the Agency will also provide refrigerant recovery documentation in accordance with 40 CFR 82.156(f)(2).

E.17.4.3 Purchaser Requirements:

When transferring ownership of the property to another party, the Purchaser agrees to provide that party with a written statement that the property either (1) contains refrigerants, or (2) that the refrigerants have been removed; whichever is applicable. For property no longer containing refrigerants, the Purchaser will also provide refrigerant recovery documentation in accordance with 40 CFR 82.156(f)(2). Purchaser will keep records in accordance with 40 CFR 82.166. Records will be made available to the Government upon request.

E.17.4.4 Returning Property to DLA Disposition Services:

Small appliances, room air conditioners, MVACs, MVAC-like appliances and other property subject to 40 CFR Part 82 will not be returned to Government unless agreed by the Agency SCO prior to return. If the Purchaser becomes a person or one of the "persons who take the final step in the disposal process", as described in 40 CFR 82.156(b)(2), the Purchaser is responsible for ensuring that any intact ODS is properly recovered in accordance with 40 CFR 82.156(b) – (d); that records are kept in accordance with 40 CFR 82.155(c), and that any compressor oils or other environmentally controlled components (including but not limited to mercury switches) are removed and properly disposed prior to scrapping or landfill of this property. The cost associated with this requirement is at Purchaser's expense. Records will be made available to the Government upon request.

E.17.4.5 Purchaser Reporting Requirements:

The Agency may periodically request that the Purchaser provide reports and/or documentation that outlines the disposition of this property, to include the number of items referred for sale by the Purchaser within a specific timeframe, a breakdown of that information to show how many were sold versus how many were not sold, detailed information regarding the disposition of the items that were not sold, and disposition of ODS removed from the property. Detailed information will include copies of the refrigerant recovery documentation.

E.17.5 DLA Disposition Services Inspection of Property:

The Purchaser is required to allow the Agency, or a Government sponsored agency, to perform physical inspections of property when requested.

E.17.6 Food and Drug Administration (FDA) Certification for Medical Devices:

Purchaser is required to complete a Food and Drug Administration (FDA) Certificate within ten (10) business days of award. The Purchaser is also required to request and retain an FDA Certificate for each resale buyer of medical devices in Federal Stock Groups (FSGs) 65 and 66.

E.17.7 Letter of Authorization (LOA):

The Purchaser will provide DLA Form 2538 Sales Contract Letter of Authorization (LOA) to the SCO and the location's Sales POC, for any person or party acting as the Purchaser's agent authorized to remove and complete title transfer for property on the Purchaser's behalf.

E.17.8 Purchaser's Use of Sub-Contractor:

The Purchaser may sub-contract with other entities to perform the special terms and conditions required for removal of property from Agency locations and storage of property under the terms of this IFB. All sub-contractors shall be approved by the Government and shall comply with all terms and conditions of this IFB. Sub-Contractor(s) shall be vetted through the same process as the Purchaser as described throughout this IFB. Material may also be processed at sub-contractor facilities approved under the terms of this IFB. Failure of Sub-Contractor(s) to perform the special terms and conditions required under this sale are grounds for default and shall result in termination if not cured. The Purchaser's contract with the sub-contractor must include Sales by Reference, Part 5, Article C, subparagraphs a through c. Transportation services that do not require the transporter to sign removal documentation resulting in title transfer are excluded from sub-contractor vetting requirements and a DLA Form 2538 Letter of Authorization would not be required IAW section E.17.6. If a transporter is also signing removal documentation that results in title transfer, a DLA Form 2538 Letter of Authorization would be required.

E.17.9 Duties of Care and Loyalty:

The Purchaser shall not cause or permit any action or omission while performing the contract that constitutes gross negligence, recklessness or intentional harm. The Purchaser shall carry out their responsibilities under the contract with honesty, good faith, and fairness toward the Agency.

E.18 ARTICLE EIGHTEEN: Material Breach

E.18.1 Notice of Material Breach:

In the event of a material breach or default of the respective duties in the performance of this contract, the Purchaser or the Agency, the party asserting such material breach, will serve notice upon the party that committed or is alleged in the notice to have committed such material breach. The matter will be treated as a dispute under the Contract Disputes Act.

Failure to submit payment in full for monthly billing statements is directed by Treasury and DFAS Policies and the SCO has no discretion but to exercise actions stated in Article 6 above.

The SCO will, based on the severity of the default, choose to:

- Resolve through informal discussions.
- Request the Purchaser to provide a written plan of action on how the default will be corrected, a specific date to be completed, and what procedures will be implemented to prevent reoccurrence of the default. (Show Cause)
- Assess Liquidated Damages, normally in the form of storages charges or actual cost of repair.
- Terminate the contract.

The Agency may take any, a combination, or all, of the following actions to satisfy its claims for any non-payments or other damages:

- Present a claim against Purchaser.
- Present a claim upon the Fidelity Bond or any other applicable insurance or surety policy.
- Seek appointment of a receiver or trustee for Purchaser.
- Seek monetary damages, restitution or any other legal or equitable remedy to which it is entitled.
  Assert any other right, claim, or remedy available pursuant to the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109).

E.18.2 Response to Notice:

Except as otherwise provided, the default will be cured within fourteen (14) calendar days of such notice, referred to as the cure period. However, the notice may provide a longer cure period. The SCO may withdraw the notice within the cure period or extend the cure period in writing.

Except as otherwise provided, the breaching party may cure the material breach within thirty (30) calendar days of such notice referred to as the cure period or within such longer cure period as the notice may provide unless, within the cure period, the non-breaching party withdraws the notice in writing or extends the cure period in writing. Not all breaches require the Government to offer the Purchaser an opportunity to cure. For example, breaches related to timeliness, such as a deadline for removal of property, need not be the subject of a cure request if providing a cure period would negatively impact the Agency mission. The failure of the Government to provide an opportunity to cure a breach related to timeliness does not in any way prevent the Government from considering such matters when assessing the Purchasers actual or anticipated ability to satisfactorily perform the requirements of the contract.

E.18.3 Termination:

Termination will be effective upon notice by the non-breaching party to the breaching party served upon or after the date of such a decision. Unless otherwise provided, Purchaser and the Agency will continue to perform their respective duties under the contract during the cure period.

E.18.4 Intentional Breach:

An asserted material breach comprised of an intentional breach of the duty of loyalty, or the duty of care, may not be cured unless the Agency, in its sole discretion, specifies a cure period in the notice. Termination will be effective upon the later date of service of such notice or the expiration of the cure period.

E.18.5 Remedies for Material Breach by Purchaser:

The Agency may take one, any combination, or all the following actions to satisfy its claims for any non-payments or other damages:

(i) Apply the deposit;
(ii) Present a claim for indemnity against the Purchaser;
(iii) Present a claim upon the Fidelity Bond or any other applicable insurance or surety policy;
(iv) Seek appointment of a receiver or trustee for the Purchaser;
(v) Seek monetary damages, restitution or any other legal or equitable remedy to which it is entitled;
(vi) Assert any other right, claim, or remedy available pursuant to the Contract Disputes Act.

E.18.6 Indemnification of DLA Disposition Services by Purchaser:

The Purchaser will comply fully with the provisions of this contract. If the breaching party is the Purchaser, the Purchaser will indemnify and hold the Agency harmless for all damages arising.

E.19 ARTICLE NINETEEN: Contract Compliance, Audits, Investigations, and Reviews

E.19.1 Compliance with Applicable Laws and Regulations:

The Purchaser shall comply with the requirements of all applicable Federal, state, installation, and local laws, regulations, ordinances, directives, and instructions connected with the performance of this contract, including without limitation such requirements pertaining to income and payroll taxes, environmental matters, occupational safety and health, retention of business documents and records, and export control laws.

Anticipated Regulatory Changes: Performance under any contract resulting from this solicitation must be in compliance with all Federal, State, and local laws and regulations. Accordingly, it is the responsibility of the bidder to ensure that all such laws and regulations are considered in the preparation of its bid. Such consideration should include not only relevant laws and regulations currently in effect, but also any revisions for which public notice has been given that may reasonably be anticipated to be effective during the life of the contract.

E.19.2 Licenses and Permits:

The Purchaser shall obtain any necessary licenses and permits, and comply with all Federal, state, and local laws and regulations in connection with the performance of the work. This responsibility requirement shall be a matter of inquiry during the SCO's pre-award evaluation of the bidder's capability to perform the contract satisfactorily. It shall also be a continuing matter of inquiry by the SCO during the performance of the contract.

E.19.3 Prohibited Activities:

The Purchaser shall not undertake the following activities without written permission from the SCO, which permission may be granted or withheld by the Agency in the exercise of its sole discretion:

- Enter into a partnership, joint venture or other arrangement where the purpose or effect is to engage indirectly in a transaction that would be prohibited by the provisions of this contract if undertaken by the Purchaser directly; or
- Enter contracts or other arrangements that would assign all or a substantial portion of responsibility for and control of performance of the contract to another party or parties, without the prior written approval of the Agency which shall consider such request in accordance with the Assignment of Claims Act of 1940, as amended, 41 U.S.C. sec. 15, and the Government's best interest. In the event of any improper assignment without the written approval of the Agency, this contract shall be terminated at the option of the Government in the exercise of its sole discretion; or
- File a voluntary petition seeking liquidation, reorganization, arrangement or readjustment, in any form, of its debts under Title 11 of the United States Code (or corresponding provisions of future law) or any other federal or state insolvency law; file an answer consenting to or acquiescing in any such petition; make any assignment for the benefit of Purchaser's creditors; or admit in writing Purchaser's inability to pay its debts as they mature, without the prior written consent of the Agency.

E.19.4 Purchaser Cooperation in DoD Investigations/Audits:

The Purchaser agrees to cooperate fully with all Federal, state, and local authorities when informed by the Agency of an ongoing investigation, compliance reviews or audits. The Purchaser agrees to provide the Agency with all requested information regarding material or information relating to the Purchaser's buyers or subcontractors. The Purchaser shall make all sales records pertaining to such investigations available to the Agency at the earliest available opportunity but no later than three (3) business days from the date of the request. Requests for information shall be provided in electronic format when possible. Purchaser personnel with knowledge of the subject matter shall be available to cooperate with any investigation, compliance review or audit. The Agency will not reimburse for any expense incurred to comply with Federal, state, or local requirements. The Agency may provide an equitable adjustment for costs incurred to comply with new requirements within the scope of the existing contract.

E.19.5 Purchaser's Responsibility for Independent Audit at Government's Request:

The Agency may request the Purchaser seeks a review and analysis to be conducted by an independent audit firm agreed upon by the Government. An audit may be requested regarding every aspect of contract performance or could be limited to a specific concern. The cost of such an audit will be handled as a Seller Indirect Cost and must be approved by the Agency prior to the onset of the audit.

E.19.6 Purchaser Record Retention:

The Purchaser shall maintain all records accurately and in a manner that shall allow clear and accurate auditing. The Purchaser shall make all books, records, documents and other supporting evidence available to satisfy contract administration and audit requirements by any Government agency identified by the SCO. Records shall be made available for six (6) years after the last removal is concluded, or for such period as Purchaser, for its own purposes, retains its books, records, documents, and other supporting evidence, whichever is longer.

Unless otherwise provided in this contract or by statute, the Purchaser shall maintain all records and documents relating to the terminated portion of this contract for six (6) years after final settlement. This includes all the books and other evidence bearing on the Purchaser's costs and expenses under this contract. The Purchaser shall make these records and documents available to the Government, at the Purchaser's office during normal business hours without charge. Records and documents may be digitally scanned for electronic storage at no cost to the Government.

E.19.7 Records Maintenance:

The Purchaser will maintain all records accurately and in a manner that will allow clear and accurate auditing. Records pertaining to inventory will contain, at a minimum, the NSN or LSN, Disposal Turn-In Document (DTID) number, quantity, date sold, sale price, date Purchaser received payment from the resale buyer, name and address of the resale buyer, and storage location prior to resale. The Government reserves the right to request and inspect these documents as it deems necessary. In the event that Purchaser fails to maintain or provide any of these documents to the Government, the Government may in its sole discretion seek and cause termination.

E.19.8 Inspection of Records and Workplace by Government:

The Government has the right to audit the records and inventory to review The Purchaser's operations. The audit may consist of a complete or random sample examination. The Purchaser must ensure that prior to any re-sale, the property is readily identifiable as formerly Government property.

E.19.9 Purpose and Content of Compliance Audits, Investigations, Reviews, and Further Reviews:

The Agency will have the right to conduct Compliance Reviews and/or Investigations of Purchaser. The Agency may conduct compliance reviews and/or investigations, or use other Government agencies or private firms, as the SCO deems appropriate. The Agency will also have the right to conduct further reviews as provided herein. The purpose of such Compliance Reviews or Further Reviews is to determine, after the fact, the extent of Purchaser's compliance with the terms and provisions of the contract and applicable laws and regulations.

E.19.10 Methods and Procedures for Compliance Reviews and Investigations:

Method – Compliance Reviews, Investigations and Further Reviews may include, without limitation, examination of records, and, if necessary, personal interviews of persons who may have knowledge of facts regarding Purchaser's compliance with the provisions of this contract, including employees or of any supplier or resale buyer.

Procedures – A Compliance Review/Investigation will be conducted at any time during normal business hours and on any business day. Purchaser will permit inspection of any physical location used by the Purchaser, including, without limitation, the inventory (including the records relating thereto), examination of the records, making copies and abstracts, and discussions of the affairs, finances, and accounts of Purchaser with any employee, subcontracting attorney, or certified public accountant of Purchaser. Purchaser will produce any records identified by the Agency as necessary to support the review process and the Agency may maintain copies of all documentation/electronic files that support the review being conducted. The Agency will use its best efforts to assure that Compliance Reviews/Investigations are conducted in a manner that does not unduly burden or unreasonably impinge upon the efficient operation of the affairs of Purchaser.

Scope – The scope of Compliance Reviews/Investigations will be as necessary to confirm Purchaser's compliance with the provisions of the contract.

E.19.11 Further Reviews:

If a Compliance Review determines there is a reasonable basis to believe that a default or breach of this contract has occurred, the Agency, upon written notice to Purchaser, may conduct any further investigation that it deems appropriate under the circumstances, using such outside consultants, including attorneys, as it deems necessary or advisable. Purchaser will permit such persons, as are designated by the Agency, to visit and inspect any physical location used by the Purchaser, including, without limitation, the inventory (including the records), and to examine the records, make copies and abstracts, and discussion of the affairs, finances and accounts of Purchaser with any employee, subcontracting attorney or certified public accountant of the Purchaser. Notwithstanding the foregoing, if Purchaser gives notice to the Agency stating that a Further Review is not justified, the Agency will delay the commencement of any such Further Review for a period of fourteen (14) calendar days after the delivery of its notice thereof to permit Purchaser to seek a determination of the appropriateness of the Further Review.

E.19.12 Compliance Notification:

After completing the Compliance Review and/or Further Review, the SCO shall notify the Purchaser in writing of any breach or default identified during the Compliance Review and/or Further Review.

E.19.13 Contracts with Third Parties:

The Purchaser shall ensure that all contracts entered shall expire or terminate within each Performance Period. This means contracts with third parties shall expire or terminate no later than at the end of the twelve (12) month base period of performance. If an option or extension is exercised, any contract with a third party shall end no later than at the end of said option or extension at that time in effect.

E.19.14 Notice of Audit Adjustment:

If any party determines that the records reflect any inaccuracies requiring entry of an adjustment, including, without limitation, the disbursement of any amount from the operating account or a transfer account that is inconsistent with any provision of the contract or the disposition of an item of property that is inconsistent with any provision of the contract, such party will give written notice thereof to the other party or parties.

E.19.15 Procedures for Adjudication of Audit Adjustments:

If either the Purchaser or the Agency disputes an asserted audit adjustment, it may submit such dispute for resolution. Upon resolution of such dispute or, if no party submits a dispute for resolution within sixty (60) calendar days of the notice of audit adjustment, the audit adjustment will be deemed confirmed as asserted.

E.19.16 Remedies for Audit Adjustments:

Upon confirmation of an audit adjustment, Purchaser will pay to the party in question, or the party will pay to the Purchaser, as the case may be, the amount required to restore the parties to their respective positions status quo ante, and the Purchaser will correct the records in accordance with the audit adjustment as confirmed. If, as a result of the audit adjustment, the Purchaser is to pay the Agency, each such payment will include interest calculated by the U.S. Treasury or at the rate provided by applicable law.

E.20 ARTICLE TWENTY: Disputes and Claims

E.20.1 Disputes:

Any contract awarded from this sale is subject to the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109). This is not a service contract administered in accordance with the Federal Acquisition Regulation (FAR). This is a contract for the sale of personal property pursuant to provision in Title 40, U.S.C., Chapter 5 and Title 41, Code of Federal Regulations (CFR), Subtitle C, Chapter 102, Subchapter B, Part 102-38, Sale of Personal Property.

E.20.2 Alternative Dispute Resolution (ADR):

The parties agree to use their best efforts to resolve any disputes that may arise without litigation. If unassisted negotiations are unsuccessful, the parties shall use Alternative Dispute Resolution (ADR) techniques in an attempt to resolve the dispute. If the ADR is not successful, the parties retain their existing rights. If the Purchaser refuses an offer for ADR, the Purchaser shall inform the SCO in writing of the Purchaser's specific reasons for rejecting the offer. Litigation shall only be considered as a last resort when ADR is unsuccessful or has been documented by the party rejecting ADR to be inappropriate for resolving the dispute.

E.21 ARTICLE TWENTY-ONE: Miscellaneous Provisions

E.21.1 Binding Effect:

Subject to the restrictions on transfers and encumbrances set forth, this contract shall ensure the benefit of and be binding upon the Agency and the Purchaser and their respective legal representatives, successors and assigns. Whenever this contract refers to any party, such reference shall be deemed to include a reference to the legal representatives, successors and assigns of such party.

E.21.2 Notices:

All notices, demands, requests, consents, approvals, declarations, reports and other communications required with regard to this contract shall be in writing except as otherwise provided and addressed to the SCO.

E.21.3 Severability:

If any provision of this contract or the application to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this contract and the application of such provisions to other persons or circumstances shall not be affected and the intent of this contract shall be enforced to the greatest extent permitted by law. The SCO may in the exercise of his/her sole discretion cause termination by notice served within thirty (30) calendar days of the date upon which such judgment becomes final, such termination to be effective five (5) calendar days after the date of service of such notice.

E.21.4 Headings:

The headings appearing in this contract are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of any article or section of this contract.

E.21.5 Survival:

The rights and obligations of the parties under this contract shall survive for a period of six (6) years after the completion of the wind-down period.

E.21.6 Waiver:

No consent or waiver expressed or implied, by any party to or of any breach or default by any other party in the performance by such other party of its obligations under this contract shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party under this contract. Failure on the part of any party to complain of any act or failure to act by any of the other parties or to declare any of the other parties in default, regardless of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

E.21.7 Force Majeure:

The parties shall be excused for the period of any delay in the performance of any obligations under this contract when prevented from performing such obligations because or causes beyond their reasonable control, including, without limitation, civil commotion, war, invasion, rebellion, hostilities, military or usurped power, sabotage, pestilence, riots, fire or other casualty or acts of God.

Upon occurrence of a Force Majeure Event claimed by either party, one party to this IFB shall promptly notify the other that a Force Majeure Event has occurred, its anticipated effect on performance, including its expected duration. If either party can provide evidence to the satisfaction of the other of any event or combination of events beyond its reasonable control, it will be entitled to relief from performing the obligations affected by the said event under this IFB for such period as the event or combination of events continues to prevent performance.

The party claiming the Force Majeure event shall furnish to the other periodic reports regarding the progress of the Force Majeure Event. The party claiming the Force Majeure event shall use reasonable diligence to minimize damages and to resume performance as well as to avoid, overcome, or minimize wholly or partly the effect of any Force Majeure event upon the performance of its obligations under this IFB. Neither Disposition Services nor the Purchaser shall be entitled to claim relief in respect of any period during which it could have complied with any obligation (or any part thereof) by using its best endeavors to avoid, overcome or minimize wholly or partly the effects of the said event or combination of events.

E.21.8 Use of the Agency Name and Public Communications:

The Purchaser shall not use the name of the Agency, DLA or DoD or its logos for any marketing or other purposes without the express prior written consent of the Agency, which consent may be withheld for any reason whatsoever and is subject to the sole discretion of the Agency. The Purchaser shall not publicly denigrate the surplus material disposition program of the DoD or the conduct thereof by the Agency. The Purchaser agrees to coordinate public releases with the SCO. The Purchaser shall refer all inquiries concerning this contract to the SCO. Under no circumstances shall any statement be released to the news media directly from the Purchaser or any agents of the Purchaser. The Purchaser shall immediately notify the SCO if contacted by the media. The Purchaser shall not release information regarding this IFB, resulting contract(s), relationships, or activities except when required by legal authorities.

The Purchaser will keep all data, reports or other information relating to the contract confidential; that release of all such information is conditioned on Agency prior written approval with this being limited to the extent that the otherwise confidential information is already in the public domain by acts of other parties (FOIA) or that the Purchaser is ordered by competent judicial or administrative authority to disclose the information.

The Agency requires the Purchaser to be obligated to notify the Agency immediately upon receipt of such an order. The Agency requires the Purchaser not to share information related to the contract in any forum in a way that would create a conflict of interest with or otherwise adversely affect the Agency.

E.21.9 Tense and Gender:

Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neutral gender is used inappropriately in this contract, this contract shall be read as if the appropriate gender had been used.

E.21.10 Entire Agreement and Modification:

This contract, and the materials incorporated herein by reference, constitute the entire agreement between the parties regarding the matters contained in this contract. If there is any inconsistency between the terms of this contract and those of any Appendix, Schedule or Exhibit, the terms of this contract shall govern. There are no promises or other agreements, oral or written, express or implied, between the parties other than as set forth in this contract. No change or modification of, or waiver or compromise under, this contract shall be valid unless it is in writing and signed by a duly authorized representative of the party against which it is to be enforced. The Purchaser understands and agrees to submit a written request for contract modification to the SCO. The Purchaser further agrees not to effect such changes without first receiving the written approval of the SCO.

E.21.11 Computation of Time:

In calculating, any period prescribed or allowed by this contract, the day of the act, event, or default from which the designated period begins to run shall not be included. The last day of the period so computed shall be included unless it is not a business day, in which event the period runs until the end of the next business day.

E.21.12 Electronic Communication:

The Agency and Purchaser shall facilitate the delivery of all written communication, Reports, Statement of Accounts, and other required reports to the extent practical by electronic mail, file transfer or facsimile, rather than by delivery by United States Postal Service or other courier means. All electronic communication shall be clearly identifiable by IFB, contract number and specific Site Code when applicable in the subject line of E-Mails, file names and on coversheets of documents.

E.21.13 Firm Fixed Price Contract:

This is a firm fixed price contract involving the sale of Government surplus personal property. As long as the guaranteed contractual minimums have been met, it is not anticipated that the Government will be responsible for Purchaser costs arising out of the termination of the contract in whole or in part, except such costs as may arise from the obligations to complete final reporting responsibilities and to return property for which the Government has directed the return, or which is required to be returned under the terms of this contract.

F ADDITIONAL CONTRACT ADVISEMENTS:

F.1 Public Law Pertaining to Location Operations:

Prospective bidders shall note that work performed on Government premises, such as at field locations and other delivery points, may be subject to the provisions of Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c) (2)) and Executive Order 11755, December 29, 1973 (convict labor), and/or the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333) and regulations of the Secretary of Labor there under (overtime compensation).

F.2 Public Law Pertaining to Material:

Prospective bidders shall also note that there are certain Public Laws that may affect the flow of material. The Food, Drug and Cosmetic Act, 21 U.S.C. 311 et seq. and regulations promulgated there under forbid the sale of adulterated or misbranded medical devices.

F.3 Contract Related Data Disclosure:

The contractor shall keep all data, reports or other information relating to the contract confidential; that release of all such information is conditioned on the Agency prior written approval with this being limited to the extent that the otherwise confidential information is already in the public domain by acts of other parties (FOIA) or that the consultant or contractor is ordered by competent judicial or administrative authority to disclose the information.

The Agency requires the contractor to be obligated to notify the Agency immediately upon receipt of such an order. The Agency requires that the contractor not share information related to the contract in any forum in a way that would create a conflict of interest with or otherwise adversely affect the Agency. (i.e., we are currently in federal court; therefore, we do not want our contractor to share things with the media that adversely hurt us in court and our relationship with our contractor because then our interest becomes adversarial). The Agency reserves for its counsel the final determination regarding whether a conflict, potential conflict, or adverse effect exists.

Prospective bidders will also note that there are certain Public Laws that may impact the flow of items:

F.4 Public Law 98-575, Commercial Space Launch Act ("CSLA"), dated October 30, 1984:

The purposes of the CSLA are to promote economic growth and entrepreneurial activity through the utilization of the space environment for peaceful purposes; encourage the private sector to provide launch vehicles and associated launch services; facilitate/encourage the acquisition (sale, lease, transaction in lieu of sale, or otherwise) by the private sector of launch property of the U.S. which is "excess or otherwise not needed for public use," in consultation with Secretary of Transportation. Donation screening is not required prior to sale.

F.5 Wildfire Suppression Aircraft Transfer Act of 1996 dated January 3, 1996:

This act authorizes the sale of excess DoD aircraft and aircraft parts to facilitate the suppression of wildfire. Prior to the sale, the Secretary of Agriculture must certify that the person or entity is capable of meeting the terms and conditions of a contract to deliver fire retardant by air. The Purchaser must certify that the aircraft and aircraft parts will be used only for wildfire suppression purposes.

F.6 Public Law 106-181, Oil Spill Containment Act:

This statute, also known as "The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century," allows DoD, during the period 4 April 2000 through 30 September 2002, to sell aircraft and aircraft parts to a person or entity that provides oil spill response services (including the application of oil dispersants by air).

F.7 Hazardous Property:

Should hazardous property be issued under this contract (property containing hazardous material or waste), the Government cautions that the item, material, or substance, or one or more components, parts, constituents, or ingredients thereof may be corrosive, reactive, ignitable or exhibit other hazardous or toxic properties. The Government assumes no liability for any damage to the property of the Purchaser, to the property of any other person, or the public property, or for any personal injury, illness, disability or death to the Purchaser, Purchaser's employees, or any other person subject to Purchaser's control, or to any other person including members of the general public, or for any other consequential damages arising from or incident to the purchase, use, processing, disposition, or any subsequent operations performed upon, exposure to or contact with any component, part, constituent or ingredient of this item, material or substance. The Purchaser agrees to hold harmless and indemnify the Government for any and all costs and expenses incurred incident to any claim, suit, demand, judgment, action, debt, liability costs and attorney's fees or any other request for monies or any other type of relief arising from or incident to the purchase, use, processing, disposition, subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of this item, material or substance, whether intentional or accidental.

F.8 Resource Conservation and Recovery Act (RCRA) Notice:

Environmental Protection Agency (EPA) Hazardous Waste Regulations, 40 CFR Part 260 et seq. published at 45 Federal Register 33063-33285, May 19, 1980, became effective on November 19, 1980. These cradle-to-grave regulations detail the responsibilities of generators, transporters, treatment facilities, storage facilities, and disposal facilities of hazardous waste. Civil and criminal penalties are available for noncompliance.

The Agency does not intend to transfer any RCRA regulated hazardous waste under this contract as regulated waste is disposed of under the Agency's hazardous waste contracts. However, the Agency can make no representations as to when and under what circumstances Federal, state or local environmental regulations may be applicable to material transferred to and held by the Purchaser.

F.9 Spill Response:

If the Purchaser is performing the loading of materials, equipment must conform to the host installation, Federal, state and local standards for handling hazardous materials. If the Purchaser is loading, the Purchaser will be required to clean up spills of hazardous material that are caused by the Purchaser, including spills from hydraulic lines on GFE, without regard to degree of culpability. For any spill that occurs, the Purchaser will follow the Spill Prevention Control and Countermeasures Plan and Spill Contingency Plan. The Purchaser will notify the SCO and the Agency's Site Lead of any such spill on a Government installation by the Purchaser or their agents and will cooperate with the SCO to meet the installation's reporting requirements.

F.10 Chemical Agent Resistant Coating (CARC) Paint:

The Purchasers are cautioned that some items are likely to contain, or be coated with a chemical agent resistant coating containing trivalent chrome, lead, cobalt-zinc hexamethylene disocyanate, and other chemicals which are a hazard to human health if not processed properly. The Government brings the following precautions/warnings to the attention of Purchasers who plan to apply the CARC paint or disturb the coating on the material in any way:

Airline respirators shall be used during application processing (applying/sanding/torch cutting, etc.) unless air sampling shows exposure to be below OSHA/host Government standards, then a chemical cartridge air-purifying respirator shall be used.

CARC paint shall be isolated from heat, electrical equipment, sparks and open flame during storage or application. Local exhaust ventilation shall be used for inside processing.

Exposure to vapor/mist/dust or fumes can cause irritation to respiratory tract (lung, nose and throat), edema, dermatitis, dizziness, rash, itching, and swelling of extremities, eye irritation or damage to nervous system, kidney or liver. Coating may be fatal if swallowed.

F.11 Refrigerant:

Refrigeration equipment and appliances are subject to the Clean Air Act (CAA) Amendments of 1990 which prohibit the venting or release to the environment of Class I or Class II ozone depleting substances and are also subject to the Refrigerant Recycling Rule in 40 CFR Subpart F 82, 150-166, requiring the recovery and verification of refrigerant removal by a certified technician, using certified recovery equipment prior to final disposal as scrap or in a landfill.

F.12 Warranty for Surplus Aircraft Components/Parts:

The Purchaser is advised that the aircraft components/parts on this sale may not currently be certified by the appropriate regulatory agencies for use on civilian aircraft. The Purchaser represents, warrants, and guarantees to the Government that this (these) item(s) will not be used, offered for sale, or sold for use in civilian aircraft unless proper certification is obtained from the appropriate regulatory agencies. This (these) item(s) also may not be installed on any civilian aircraft unless installed by a Federal Aviation Administration (FAA) certified repairman and/or mechanic. The Purchaser agrees to hold the Government harmless from any and all demands, suits, actions, or claims of whatsoever nature arising from or out of violation of this warranty.

F.13 Aircraft Insignia and Markings:

The Purchaser will be required to permanently remove or obliterate all Military Service distinctive markings from aircraft prior to removal from the Government premises. The Purchaser may remove or obliterate the markings by scraping, grinding, use of paint removers, or by other means upon approval of the SCO. This requirement does not apply to aircraft which are required to be demilitarized.

F.14 Kitchen Stoves:

The Purchaser will ensure that the warning statement which is affixed to such items regarding their design features and reuse will not be removed prior to sale to an ultimate user, and the Purchaser will include this clause in its entirety in any later sale or transfer of title, unless the Purchaser modifies, replaces or repairs the stoves to remove or eliminate the hazard.

G DEFINITIONS

Acquisition Value: The amount identified as the original or estimated cost paid for property by the Government. For purposes of calculating billing under this contract, acquisition value is the amount reflected in the Agency's financial system at the time of receipt/turn-in to the Agency.

Actual Cost: An amount determined based on the cost incurred.

Allocable Cost: A cost is allocable to a Government contract if it is incurred specifically for the contract, if it benefits both the contract and other work and can be distributed to them in a reasonable proportion to the benefits received, or is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown. A cost is allowable only when the cost is reasonable and allocable. The Purchaser is responsible for accounting for costs appropriately and for maintaining records, including supporting documentation, adequate to demonstrate that any cost claimed have been incurred, are allocable to the contract, and comply with applicable cost principles in FAR Part 31 and DOD or DLA supplements. The SCO may disallow all or part of a claimed cost that is inadequately supported.

Alternative Dispute Resolution (ADR): Any procedure (for example, mediation, conciliation, facilitation, fact-finding, etc.), or any other method to which the parties agree for resolving issues in controversy, except the term does not include unassisted negotiations.

Bid Percentage: The amount, expressed as a percentage of Acquisition Value, offered by the Purchaser.

Breach: The failure of a contracting party to perform their obligations according to the terms of the agreement.

Business Day: Any day that is not a Saturday, Sunday or a Federal Government observed holiday. Federal holidays presently include New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day. The holiday is observed on the preceding Friday or the following Monday when the holiday occurs on Saturday or Sunday, respectively.

Business Hours: Installation specific normal hours of operations for this contract are available upon request from the SCO. This contract is for various military and Government activities of which may have different work schedules. Excluding weekends and observed or declared Federal holidays, the Purchaser agrees that, for the portions of work performed on a Government installation, the services shall be provided during the normal hours of operation for the installation.

Computer Data Base: Means a collection of data recorded in a form capable of being processed by a computer. The term does not include computer software.

CONUS: Continental United States.

Data: Recorded information, regardless of form or the media on which it may be recorded.

Day: A calendar day (except when identified as a business day, which excludes the weekend and holidays).

Default: Failure to comply with the terms and conditions of the agreement by intentional action, inaction, or neglect. According to the law of obligations and banking law, means to refuse to pay a debt when due. Shall be used in this contract to mean breach.

DLA Disposition Services (Agency): The organization vested with operational command and administration of the disposal solutions for Department of Defense (DoD) surplus material.

Demilitarization Code: A single character alpha code assigned by the Item Manager identifying the degree of demilitarization necessary prior to accomplishing final disposition of an item.

Direct Cost: A cost identified specifically within a contract.

DoD: Department of Defense.

DoD Condition Code: Classification of materiel in terms of readiness for issue and use or to identify action underway to change the status of materiel. See, DLM 4000.25 Volume 2, Supply Standards and Procedures.

Disposal Turn in Document Number (DTID): A 14-position alpha/numeric combination used to identify a line item of material consisting of Department of Defense (DoD) address code, Julian date and serial number. The DD Form 1348-1A/2 is the standard document for turn-in of material.

Export Administration Regulation (EAR): A set of rules and regulations as well as legal protocols related to United States export control law. EAR is largely a legal document that defines the type of products and data that can be lawfully exported. Its aim is to ensure national security by incorporating commercial and research aims.

Federal Supply Class (FSC): A commodity classification code primarily used in the National Stock Number (NSN). The first two digits of the code identify the group and the last two digits identify the classes within the group.

Generator: The activity that produces the excess, surplus, foreign excess or other material; usually the entity formerly in physical possession and/or control of the material.

Government Purpose Rights: This means the rights to use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States Government purposes.

Hazardous Material (HM): Any material that can pose an unreasonable risk to health, safety, and material during transportation in the United States. Overseas, HM is defined in the applicable Final Governing Standards or Overseas Environmental Baseline Guidance Document, and/or host nation laws and regulations.

Hazardous Property (HP): It is typically used to describe substances and materials that are dangerous, including flammables, explosives, irritants, sensitizers, acids, and caustics, even when such materials may be relatively harmless in diluted concentrations.

Hazardous Waste (HW): Any material regulated under the Resource Conservation and Recovery Act (RCRA) or state regulation as a hazardous waste.

Invitation For Bid (IFB): An offer for bid submission.

Joint Inventory: The physical inspection of property referred to the contract and pending issuance to the Purchaser, conducted by both the Purchaser and DLA Disposition Services (the Agency) together to ensure complete and accurate property accounting.

Line Item: A single line entry on a reporting form that indicates an item of material located at any one activity having the same description, condition code and unit of issue cost. A line item may be comprised of one or multiple units of issues.

Local Stock Number (LSN): A locally assigned identification number for an item with no National Stock Number (NSN) assignment.

National Item Identification Number (NIIN): A 9-digit number (immediately following the FSC) assigned to an item of supply that differentiates it from other items of supply.

National Stock Number (NSN): A 13-digit number consisting of the 4-digit FSC and the 9-digit NIIN that is assigned to identify an item of supply within the materiel management function. The NSN is an official label applied to an item of supply that is repeatedly procured, stocked, stored, issued, and used throughout the federal supply system. It is a unique item identifying series of numbers. When a NSN is assigned to an item of supply, data is assembled to describe the item. Some data elements include information such as an item name, manufacturer's part number, unit price, and physical and performance characteristics. NSNs are an essential part of the military's logistics supply chain used in managing, moving, storing, and disposing of material.

Performance Period: Timeframe of the contract, to include any options offered.

Purchaser: The Company awarded this contract to buy scrap material.

Purchaser's Purchase Price: The Acquisition Value is the the amount identified as the original or estimated cost paid for property by the Government at the time of receipt/turn-in to the Agency of a particular item of property which is multiplied by the applicable Bid Percentage offered.

Reasonable Cost: A cost is reasonable if, in its nature and amount, does not exceed that which would be incurred by a prudent person in the conduct of competitive business. Reasonableness of specific costs must be examined with particular care in connection with firms or their separate divisions that may not be subject to effective competitive restraints. No presumption of reasonableness will be attached to the incurrence of costs by the Purchaser. If an initial review of the facts results in a challenge of a specific cost by the Sales Contracting Officer, the burden of proof will be upon the Purchaser to establish that such costs is reasonable.

Receipt In Place (RIP): Property being held at a location outside the DLA Disposition Services network although on the DLA Disposition Services accountable record during the disposal process and safeguarded by the Generator.

Rolling Stock: Transit vehicles such as buses, vans, cars, trucks, utility vehicle for recreational and non-recreational uses, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services to include cargo trailers, or anything mounted to a trailer for the purpose of being moved by a motor vehicle.

R/T/D: Reutilization/Transfer/Donation.

Sales Contract: An agreement between two parties that binds both parties and transfers title of specified type and quantity of material.

Sales Contracting Officer (SCO): A duly appointed individual granted the authority to sell surplus and foreign excess personal material by various prescribed methods of sale.

Sales Point of Contact: An individual designated by the SCO to provide direct oversight of the Purchaser and/or their agents to ensure they meet the terms and conditions of the contract. Does not have the authority to make contractual obligations.

Scrap Property: A designation assigned by or with the approval of DLA Disposition Services personnel meaning the items has no value in excess of that of the item’s basic material content.

Surplus Property: An item of personal property that has been determined to be safe to sell with a DEMIL code A, F or Q6. Surplus personal property that is sold by DOD is in "as-is, where-is" condition. Under General Services Administration (GSA) regulations, federal agencies must make excess personal property available for: (1) reutilization within their agency or to special programs; (2) transfer to other federal agencies; or (3) donation to specified eligible entities, before an item is eligible for sale to the general public. Under section 102-36.240 of GSA regulations excess personal property includes "new" property, "usable" property, "repairable" property or "salvage" property as defined in that regulation. Surplus personal property under this IFB has been determined to be "new", "useable" or "repairable' under the GSA definitions. Surplus personal property offered under this IFB does not meet the definition of scrap, which has no value except for its basic material content. While DoD turn-in customers provide a supply condition code of A-H on all DTIDs for all property turned in to Disposition Services, these codes are used in the DoD supply system as classifications for materiel in terms of readiness for issue and use, or to identify action underway to change the status of materiel. They do not directly correspond to the suitability of property being made available for reutilization, transfer, donation, or sale. Disposition Service personnel make an independent determination on whether the property should be classified as scrap because it has no value in excess of the item's material content and/or whether an item is suitable for reutilization, transfer, donation or sale as surplus.

Unallowable Cost: Any cost that, under the provisions of any pertinent law, regulation, or contract, cannot be included in prices, cost-reimbursements, or settlements under a Government contract to which it is allocable.