

## DLAD Procurement Notes – Effective December 20, 2018

**C01 Prescription:** 11.391(a) Solicitations and contracts shall include procurement note C01 when procuring part numbered items.

### **C01 Superseded Part Numbered Items (SEP 2016)**

If an item part number is superseded during the term of this contract, the contractor shall advise the contracting officer immediately upon determination.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

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**C02 Prescription:** 11.9001(a) All solicitations and contracts shall include procurement note C02.

### **C02 Manufacturing Phase-Out or Discontinuation of Production, Diminishing Sources, and Obsolete Materials or Components (DEC 2016)**

The contractor shall notify the contracting officer immediately upon determining the unavailability of obsolete materials or components. The contractor may recommend a solution to include the impact on the contract price and delivery. The contractor shall not initiate any item redesign or incur any additional costs without the express, written authorization of the contracting officer.

In the event that manufacturing phase-out or discontinuance of production of such items is contemplated, the contractor is required to notify the contracting officer and publish the discontinuance in the Government-Industry Data Exchange Program (GIDEP), where feasible; and to provide immediate advance notice of production phase-out to DLA DMSMS at [dsc.dmsms@dla.mil](mailto:dsc.dmsms@dla.mil).

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**C03 Prescription:** 4.703(a) Solicitations and awards shall include procurement note C03.

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

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

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

(3) Examples of acceptable supply chain traceability documentation can be found at:

<http://www.dla.mil/LandandMaritime/Business/Selling/Counterfeit-Detection-Avoidance-Program/>

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

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**C04 Prescription:** 11.390(a) Solicitations shall include procurement note C04 unless there is a documented restriction for unused former Government surplus property material. The procurement note is automatically included in automated solicitations.

**C04 Unused Former Government Surplus Property (DEC 2016)**

To be considered for award, the offeror must complete and submit the following representation with their offer. Additional supporting documentation to demonstrate the surplus material offered was previously owned by the Government and meets solicitation requirements must be provided within 24 hours of request by the contracting officer.

(1) The material is new, unused, and not of such age or so deteriorated as to impair its usefulness or safety. Yes  No

The material conforms to the technical requirements cited in the solicitation (e.g., Commercial and Government Entity (CAGE) Code and part number, specification, etc.). Yes  No  The material conforms to the revision letter/number, if any is cited. Yes  No  Unknown  If No, the revision does not affect form, fit, function, or interface. Yes  No  Unknown  The material was manufactured by:

(Name): \_\_\_\_\_

(Address): \_\_\_\_\_

(2) The offeror currently possesses the material Yes  No

If yes, the offeror purchased the material from a Government selling agency or other source.

Yes  No  If yes, provide the following:

Government Selling Agency: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Contract Date: (Month, Year): \_\_\_\_\_

Other Source: \_\_\_\_\_

Address: \_\_\_\_\_

Date Acquired: (Month/Year) \_\_\_\_\_

(3) The material has been altered or modified. Yes  No

If Yes, the offeror must provide the name of the company that performed the alteration or modification and attach or forward to the contracting officer a complete description of the alterations or modifications.

(4) The material has been reconditioned. Yes  No

If Yes, (i) the price offered includes the cost of reconditioning /refurbishment. Yes  No ; and (ii) the offeror must provide information on the company that reconditioned the material with the certifications and attach or forward to the contracting officer a complete description of any work done or to be done, including the components to be replaced and the applicable rebuild standard. The material contains cure-dated components. Yes  No

If Yes, (i) the price includes replacement of cure-dated components. Yes  No ; and (ii) provide cure date to the contracting officer.

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

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

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

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

Contract Number \_\_\_\_\_

NSN \_\_\_\_\_

CAGE Code \_\_\_\_\_

Part Number \_\_\_\_\_

Other Markings/Data \_\_\_\_\_

(7) The offeror has supplied this same material (National Stock Number) to the Government before.

Yes  No

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

Agency \_\_\_\_\_

Contract Number \_\_\_\_\_

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

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

Yes  No

Specification/Drawing Number \_\_\_\_\_

Revision (if any) \_\_\_\_\_

Date \_\_\_\_\_

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

If Yes, (i) material has been re-preserved. Yes  No ; (ii) material has been repackaged. Yes

No ; (iii) percentage of material that has been inspected is \_\_\_\_\_%; and/or (iv) number of items inspected is \_\_\_\_\_; and (v) a written report was prepared. Yes  No ; and if Yes, the offeror has attached the written report or forwarded it to the contracting officer. Yes  No

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

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

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

For DLA Disposition Services Commercial Venture (CV) Sales, the shipment receipt/delivery pass document and invoices/receipts used by the original purchaser to resell the material.

When the above documents are not available, or if they do not identify the specific NSN being acquired, a copy or facsimile of all original package markings and data, including NSN, commercial and Government entity (CAGE) code and part number, and original contract number. (This information has already been provided in paragraph (c)(6) of this clause. Yes  No .)

When none of the above are available, other information to demonstrate that the offered material was previously owned by the Government. Describe and/or attach.

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

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

examinations and tests required by the contract, the performance of the end items will be required to be as good as that of the samples submitted.

In the event of award, the contractor will be responsible for providing material that is in full compliance with all requirements in the contract or order. The surplus material to be furnished must meet the requirements of the current contract or order, whether or not the material met Government requirements in existence at the time the material was initially manufactured or sold to the Government. If higher-level contract quality requirements apply to the material being acquired, those requirements do not apply to surplus material furnished under this contract.

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**C05 Prescription:** 37.103(S-90) Solicitations and contracts shall include procurement note C05 when the services to be provided require professional employees, and evaluation of proposed key managerial personnel is required to assess the probability of successful performance.

**C05 Changes to Key Personnel (OCT 2016)**

Certain skilled, experienced, professional and/or technical personnel are essential for successful accomplishment of the work to be performed under this contract. These are defined as "key personnel" and are those persons whose resumes are submitted as part of the technical/business proposal for evaluation. The contractor shall use key personnel as identified in its proposal during the performance of this contract and will request contracting officer approval prior to any changes. Requests for approval of any changes shall be in writing with a detailed explanation of the circumstances necessitating the change. The request must contain a complete resume for the new key personnel and any other pertinent information, such as degrees, certifications, and work history. New key personnel must have qualifications that are equal to or higher than those being replaced. The contracting officer will evaluate the request and notify the contractor whether the requested change is acceptable to the Government.

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**C06 Prescription:** 17.9304(a) Solicitations and contracts must include procurement note C06 when MWR, D1-D6, or surge quantity option applies:

**C06 Surge and Sustainment (S&S) Requirements (FEB 2017)**

(1) Definitions.

*"Surge and sustainment (S&S)"* means increased quantities and accelerated delivery rates required to meet Military Service requisitions across a broad spectrum of contingencies. The increased quantity and accelerated delivery rate are above and beyond the normal peacetime requirements. S&S quantities are identified as MWR, D1-D6 schedule, or a surge quantity event.

*"Capability Assessment Plan (CAP)"* means the offeror's plan for covering S&S requirements, identification of competing priorities for the same resources, and date when the S&S capability can be attained. The offeror must provide the CAP as an attachment to its proposal when S&S items are identified in the solicitation. If the offeror cannot meet S&S quantity and delivery needs, the CAP must identify the shortfall and provide best value solutions, to include a proposed Government investment strategy to help offset the shortfall if needed.

*"Electronic CAP, or eCAP"* means an electronic version of the CAP that the offeror can complete online. The web address and instructions for completing the eCAP are provided in the solicitation.

(2) The contractor must maintain its S&S capability to produce and deliver the S&S quantity identified in Section C in accordance with the approved capability assessment plan (CAP) throughout the contract performance period. The contractor must participate in any S&S testing and verification requested by the Government. The contractor agrees to support S&S requirements to the maximum extent practical prior to achieving full S&S capability required in Section C and the CAP; and for requirements exceeding those required in Section C and the CAP but not exceeding any applicable contract maximum quantity or contract value required in FAR 52.216-19. Changes that negatively impact S&S capability must be reported in writing to the contracting officer within ten (10) working days after the contractor becomes

aware of the impact. The notification must include a revised S&S CAP containing proposed corrective actions and date when the S&S capability will be attained.

(3) The Government reserves the right to verify and test the S&S capability described in the CAP at any time during contract performance. The Government will prepare a test and verification plan and upon request the contractor must demonstrate its S&S capability.

(4) If requested by the Government, the contractor must be prepared to provide a plan to participate in S&S validation and testing to verify the S&S capability described in the CAP. Participation in S&S validation and testing will be at no additional expense to the Government, and does not justify an equitable adjustment to the contract price. The plan must include methodology, rating criteria, labor, materials, and time required to conduct validation and testing. S&S validation generally entails verifying if the contractor and subcontractors have (a) sufficient equipment, facilities, personnel, stock, prepositioned raw materials, production capabilities, and base resources; (b) agreements, networks, and plans for distribution (receiving, storing, packaging, and issuing); (c) transportation services to accommodate the S&S requirements in the contract; (d) examination of any in-house work; (e) review of the stock rotation plan; and (f) other contracts that impact the production of added or accelerated delivery of contract quantities. The testing/verification plan is not required to be included in the offeror's proposal. Offerors are encouraged to consider the possibility of the Government requesting this participation when formulating the proposal.

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**C07 Prescription:** 17.9305 Solicitations and long-term supply contracts must include procurement note C07 to notify suppliers that may be candidates to support industrial mobilization and/or material disruptions of the potential availability of key raw materials.

**C07 Warstopper Program Material Buffer Availability (MAY 2017)**

(1) The Warstopper program material buffer (Buffer) was created to decrease lead times for raw material to support defense contracts relating to military systems with a wartime requirement. The current material buffer suppliers and materials may be reviewed at <https://www.jccs.gov/wicap>. If the buffer material is not available or the material is inadequate to complete the requirement, the contractor must contact the contracting officer representative (COR) for guidance. When a buffer has been established, the following process must be used to submit requests for buffer material. A defense contractor (or sub-tier contractor supporting a prime contractor) with a current, active U.S. Government contract must submit a valid request to use a material buffer to the COR for the respective material buffer. The COR will review the submittal and approve or disapprove the request. The request should include the following information:

- (i) Requestor's name;
- (ii) U.S. Government contract number;
- (iii) Defense Priorities and Allocations System (DPAS) rating;
- (iv) Material specification;
- (v) Quantity required; and
- (vi) Required delivery date.
- (vii) Whether there is a pre-existing supply contract with the material buffer contractor.

(2) If no prior contractual relationship exists between the defense contractor requesting access to the material buffer and the material buffer contractor, the material buffer contractor is authorized to enter into a contract – to provide material from the buffer – once a valid request has been approved by the COR. This action must be included in the monthly report submitted to the COR. When requests exceed the buffer's maximum monthly material availability, the material supplier may negotiate phased delivery of material across the material monthly availability; or the Government COR may prioritize the release of the material at the Government's discretion.

(3) Contractors accessing the material buffer will be charged the material price identified in any pre-existing contract with the material buffer contractor. For those defense contractors not having a preexisting contract with the material buffer contractor, they must be charged the standard (not spot

market levels) pricing for the material. Contractors using the buffer are solely responsible for costs of using the buffer, and the Government has no liability either for these costs or for delays or other effects arising from the use of the buffer.

(4) The buffer material provided is not Government-furnished material, but is a normal vendor-to-vendor transaction with all applicable warranties and guarantees provided through the commercial transaction.

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**C08 Prescription:** 17.9504(c) Solicitations and contracts must include procurement note C08 when a tailored logistics support contract relies on the contractor's purchasing system to verify that the contractor competed the items or services or to justify that prices are fair and reasonable.

**C08 Tailored Logistics Support Purchasing Reviews (FEB 2017)**

(1) From the commencement of performance of this contract until 3 years after the final contract payment, the contractor must allow the contracting officer, ACO, Defense Contract Management Agency (DCMA), Defense Contract Audit Agency (DCAA), and any other duly authorized representative of the contracting officer access to all records and information pertaining to those items or services for which the Government is relying on the contractor's purchasing system to determine that competition was obtained or to justify that prices are fair and reasonable. The contractor must maintain records subject to this clause for not less than 3 years after the contract final payment.

(2) The contracting officer may conduct reviews of purchased items or services provided under this contract regardless of dollar value that meet the criteria in paragraph (1) to ascertain whether the contractor has obtained the best value. The contractor must obtain competition to the maximum extent practicable for all purchases. Prior to purchasing any supplies or services, the contractor must solicit a competitive quotation from at least two independently-competing firms. For other than sole source items, the request for quotations must, to the maximum extent practical, solicit offers from different manufacturers or producers. If the contractor is unable to obtain quotes for competing items from two or more independently-competing firms, the contractor must retain documentation supporting its rationale for selection of the suppliers solicited and selected and its determination that the price was fair and reasonable. The contractor is responsible for maintaining this documentation for all sole source/noncompetitive actions. The following price reasonableness and documentation requirements are applicable to all purchases, regardless of dollar value:

(i) A price is reasonable if it does not exceed a price incurred by a prudent person in the conduct of competitive business. The contracting officer will examine the prices with particular care in connection with buys that may not be subject to effective competition restraints. The contractor's price will not be presumed to be reasonable. If an initial review of the facts results in a challenge of a specific price by the contracting officer or the contracting officer's representative, the burden of proof must be upon the contractor to establish that the price is reasonable under the standards in FAR Subpart 15.4 and FAR 31.201-3.

(ii) The contractor must keep the documentation to a minimum, but must retain data supporting the purchases either by paper or electronically. At a minimum, price quotations and invoices must be retained. Should the contractor receive an oral price quotation, the contractor must document who the supplier or subcontractor is by complete name, address, telephone number, price, terms and other conditions quoted by each vendor. Price quotes for supplies must be broken down by individual items, shipping costs, and any other included expenses. Price quotes for incidental services which are not pre-priced in the contract must include labor hours and costs or prices, as applicable, including the total price of the job, individual pricing for the portions of the work if applicable, materials, and all other elements of cost, overhead, and profit. This price breakdown documentation must be made for each subcontractor performing work on this contract.

(3) When applicable, if the contractor is purchasing from subcontractors or other sources and receives a discount or rebates, the contractor must immediately pass these savings to the Government in the contract

price and invoice for payment. The contractor is required to use diligence in the selection of the most economical method of delivery of the product or services by selecting a best value method of delivery based on the urgency and nature of the work or product required. When labor hours are involved in the work to be accomplished and the contractor has not already pre-priced the effort to use its own labor force, the contractor must provide the labor at rates required by the contract (for example, Service Contract Act or Davis-Bacon Act rates) or at rates based on competition if mandatory rates are not required by the contract.

(4) If the contracting officer determines that the purchased product or service is unreasonably priced, the contractor must refund to the Government the amount the contracting officer determines is in excess of a reasonable price. The contracting officer must notify the contractor in writing in accordance with FAR 32.604 Demand for Payment, giving the basis for the determination and the amount to be refunded. The contractor must make the refund payment in accordance with directions from the contracting officer, and must provide proof of the refund payment to the contracting officer. The contracting officer may collect the amount due using all available means in accordance with FAR Subpart 32.6. FAR 52.232-17, Interest, is applicable to payments not made within 30 days of the demand for payment. Any disputes arising under this provision must be handled in accordance with the "Disputes" clause of this contract.

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**C09 Prescription:** 16.290(d)(1) The contracting officer may use procurement note C09 in solicitations and contract awards when—

(i) Unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for a component or components of the end item, and the change in cost of production or component prices can be tracked via the Producers Price Index (PPI) published by the BLS; or unpredictable increases or decreases in the cost of producing the items are expected or pricing uncertainties exist for labor, and the change in cost of production can be tracked via the Employment Cost Index (ECI) published by the BLS;

(ii) The circumstances in FAR 16.203-4(d)(1) exist: (A) The contract involves an extended period of performance with significant costs to be incurred beyond 1 year after performance begins; (B) the contract amount subject to adjustment is substantial; and (C) the economic variables for labor and materials are too unstable to permit a reasonable division of risk between the Government and the contractor, without this type of clause;

(iii) The contracting officer considers the use of this procurement note appropriate; and

(iv) The requirements of FAR 16.203-3 are met: A fixed-price contract with economic price adjustment shall not be used unless the contracting officer determines that it is necessary either to protect the contractor and the Government against significant fluctuations in labor or material costs or to provide for contract price adjustment in the event of changes in the contractor's established prices; and

(v) The requirements of DLAD Subpart 16.2 are met.

**C09 Economic Price Adjustment – Department of Labor Index (AUG 2017)**

(a) Warranties. The contractor warrants that--

(1) The base unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) Definitions. As used throughout this clause –

(1) "*Index*" for the purpose of price adjustment under this clause shall be the Producer Price Index(es) reported in the monthly publication entitled, "Producer Price Indexes", published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics (BLS) for the following code number(s) and title(s): \_\_\_\_\_ (contracting officer fill-in) \_\_\_\_\_; or the Employment Cost Index(es) reported in the quarterly publication entitled, "Employment Cost Indexes," published by the United States (U.S.) Department of Labor (DOL), Bureau of Labor Statistics

(BLS) for the following code number(s) and title(s): \_\_\_\_\_ (contracting officer fill-in) \_\_\_\_\_.

(2) "*Base index*" is the arithmetic average of the final version of the indexes published for the \_\_\_\_\_ months, or \_\_\_\_\_ quarters for ECI, preceding the closing date for receipt of proposals or the date required for receipt of final proposal revisions, if discussions were held.

(3) "*Adjusting index*" shall be the \_\_\_\_\_ arithmetic average of the [ ] first published or [ ] final version of the index for the \_\_\_\_\_ months, or \_\_\_\_\_ quarters for ECI, prior to the month in which the adjusting contract modification is effective.

(4) "*Base unit price*" is the unit price applicable to a quantity of a contract line item established at contract award, exclusive of any price adjustment pursuant to this clause.

(5) "*Adjustment period*" is the period during which a particular adjustment to the unit price under this clause (calculated at the beginning of the adjustment period) will be applicable. The length of each adjustment period in months shall be calculated by dividing 12 by the number of adjustments allowed per year in (c)(1) below.

(c) Adjustments. Prior to the end of each adjustment period, the contracting officer shall calculate the adjusting index and any adjusted contract unit price(s) for the new adjustment period, and modify the contract accordingly. Price adjustments pursuant to this clause shall be made by contract modification, issued by the contracting officer and will show the base index, the adjusting index, the base unit price, the mathematical calculations, and the changed unit price(s). The price adjustment shall be applicable to orders issued after the effective date of the contract modification establishing the unit price for the adjustment period. The price adjustment(s) for each adjustment period will be based on the percentage change between the base index and the adjusting index for the adjustment period, as applied to the base unit price.

(1) The Government shall be entitled to a price decrease in any particular adjustment period if the adjusting index is less than the base index. There shall be \_\_\_\_\_ price adjustments per contract year.

(2) Example of adjustment calculation:

Base Index =	109.88*
Adjusting index =	112.72*
Less base index =	109.88
Change to index =	2.84
Divide change to index by base index =	$2.84 / 109.88 = .02585$ (2.585%)**
Multiply by the base unit price =	$\$50.00 \times .02585 = \$1.29$ ***
	= Unit Price Adjustment
Adjusted unit price =	\$51.29

\* In computing the base and adjusting indexes, the resulting figure shall be rounded to the second decimal place.

\*\* This figure shall be rounded to the fifth decimal place.

\*\*\* All dollar figures shall be rounded to the nearest cent.

(d) Upward ceiling on economic price adjustment. No upward ceiling shall apply under this economic price adjustment clause, unless the BLS series is based on indices below the six-digit level (an index "below the six-digit level" in BLS usage means an index whose identifier exceeds six-digits). For any BLS series that is below the six-digit level, the following ceiling shall apply: The contractor agrees that the aggregate of the increases in any contract unit price under this clause shall not exceed \_\_\_\_\_% (percent) of the original base unit price, except as provided hereafter.

(1) If at any time the contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the adjustment ceiling for any item, the contractor shall promptly notify the contracting officer in writing of the expected increase. The notification shall include a revised ceiling the contractor believes is sufficient to permit completion of



remaining contract performance, along with appropriate explanation and documentation as required by the contracting officer.

(2) If an increase in the index would raise a contract unit price for an item above the current ceiling, the contracting officer may issue a contract modification to raise the ceiling. If the contract ceiling will not be raised, the contracting officer shall so promptly notify the contractor in writing.

(e) Invoices. The prices payable under this contract will be based on the latest adjusted unit price incorporated into the contract as of the date of order.

(f) Retroactive adjustment. Paragraph applies only if “first published index” is selected in paragraph (b)(3) above. The contractor may request a retroactive adjustment for orders that have been delivered during an adjustment period for which payment has already been made, based on the difference between a higher final revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, and subject to the adjustment ceiling in (d) above and when the following conditions are met:

(1) The request for equitable adjustment clearly establishes that the unit price adjustment for the adjustment period would have been higher if the final revised index had been used, and identifies all invoices and payments to which it is applicable, cites the specific index differences relating to the requested adjustment, and provides a calculation of the total net price adjustment for items delivered during that adjustment period.

(2) No retroactive equitable adjustment shall be made under this clause unless the total dollar change for items delivered is \$ \_\_\_\_\_ (\$500.00 unless otherwise stated) or more for the applicable adjustment period(s).

(3) The contractor’s written request must be received by the contracting officer within 45 days following publication of the final revised index.

The Government shall be entitled to a downward adjustment based on the difference between a lower final revised index applicable to an adjustment period and the index values used in calculating the unit price for that adjustment period, subject to the limitation in paragraph (f)(2).

(g) Revision of index. In the event –

(1) Any applicable index is discontinued or its method of derivation is altered substantially; or

(2) The contracting officer determines that the index consistently and substantially fails to reflect market conditions, the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the index was discontinued, altered, or began to consistently and substantially fail to reflect market conditions.

(h) Final invoice. The contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(i) Disputes. Any dispute arising under this clause shall be determined in accordance with and subject to the “Disputes” clause of the contract.

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**C10 Prescription:** 16.505(c) Contracting officers may use procurement note C10 to indicate delivery order procedures in multiple award indefinite delivery contracts pursuant to FAR 16.504.

**C10 Placement of Task or Delivery Orders Against Multiple Indefinite Delivery Contracts (AUG 2017)**

(1) In accordance with FAR 52.216-27, Single or Multiple Awards, the Government may elect to award multiple contracts under this solicitation. The Government will evaluate proposals in accordance with evaluation provisions in Section M of this solicitation. In the event of multiple awards, the Government will use the same evaluation criteria to determine which proposals represent the best value to the Government. The contracting officer has the discretion to determine the exact number of awards, considering the cost to the Government to administer multiple awards, the recurring nature of the requirement, the need to increase the active production base, and the benefits that may be achieved through continued competition.

(2) Task or delivery order placement procedure.

(a) In the event of multiple awards, the contracting officer will consider each awardee for placement of individual task or delivery orders unless an exception at FAR 16.505(b)(2) applies. However, awardees subject to testing and approval requirements (e.g., first article testing) are not eligible to receive orders until testing requirements are satisfactorily completed. Failure to successfully complete required testing will constitute grounds for contract termination for default by the Government.

(b) Unless stated otherwise in the contract or in the request for quotes for task or delivery orders under this contract, the following evaluation process will be used in awarding task or delivery orders. The criteria used for evaluating offers for task or delivery orders under this contract are price, past performance, and delivery. Price is of \_\_\_\_\_ importance than or to the other factors combined. Past performance will include performance on orders previously placed under the contract and may include performance under other contracts. In evaluating performance under previous orders, the contracting officer will consider delivery, quality of supplies or services furnished, and success in implementing any socioeconomic support programs that may be applicable to the contract.

(3) Task and delivery order ombudsman. In accordance with FAR 16.505(b)(8), the competition advocate will address complaints or questions regarding the placement of individual task or delivery orders. Address correspondence to the appropriate supply chain listed below:

For DLA Aviation:

DLA Aviation

Competition Advocate, BPP

8000 Jefferson Davis Highway

Richmond, Virginia 23297-5124

For DLA Troop Support's construction and equipment, clothing and textile, subsistence, and medical supply chains:

DLA Troop Support

Competition Advocate, BPA

700 Robbins Avenue

Philadelphia, Pennsylvania 19111-5096

For DLA Land and Maritime:

DLA Land and Maritime

Competition Advocate

Post Office (P.O.) Box 3990

Columbus, Ohio 43218-3990

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**C12 Prescription:** 16.590(b) Contracting officers shall use procurement note C12 in solicitations and contract awards for LTCs that provide for shipment to more than one location and include quantity range pricing; when transportation costs will be relatively small compared to the cost of the item; and when the contract price will be f.o.b. origin.

**C12 Pricing of Delivery Orders with Quantity Increments (AUG 2017)**

(a) In pricing delivery orders requiring delivery of one national stock number (NSN) to multiple destinations, the Government will determine the price for each destination as follows, depending on the box checked:

(1) The quantity range price based on the total quantity of the NSN being procured under each delivery order regardless of destination; or

(2) The total quantity being shipped to all destinations within each zone as defined elsewhere in this contract.

(b) If this solicitation or contract contains a provision for placement of orders through an electronic ordering system, the Government will determine unit prices for those orders as follows, depending on the box checked:

- (1) The total quantity of all requirements for each NSN issued via the electronic ordering system in a single day, regardless of the number of individual orders; or
- (2) The quantity of each individual order.

(c) The minimum quantity to be ordered, per destination, will be the minimum ordering range quantity if specified in section B of the solicitation or contract for each item.

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**C13 Prescription:** 16.290(a)(1) Contracting officers may use procurement note C13 in solicitations and contracts, when the contracting officer determines that the use of the clause at FAR 52.216-2 is inappropriate (reference FAR Deviation #2008-02.)

**C13 Economic Price Adjustment – Standard Supplies (AUG 2017)**

(a) The contractor warrants that the unit price stated in the schedule for \_\_\_\_\_ [offeror insert schedule line item number] is not in excess of the contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that --

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the contractor.

(b) The contractor shall promptly notify the contracting officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items ordered on and after the effective date of the decrease in the contractor's established price, and this contract shall be modified accordingly.

(c) If the contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the contractor's written request to the contracting officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this procurement note shall not exceed 10 percent of the contract unit price [at the outset of each performance/ordering period].

(2) The increased contract unit price shall be effective --

(i) On the effective date of the increase in the applicable established price if the contracting officer receives the contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the contracting officer receives the request.

(3) The increased contract unit price shall not apply to quantities [ordered] under the contract before the effective date of the increased contract unit price.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the contracting officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the contractor's written request, the contracting officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase.

(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this procurement note, and thereafter if there is no cancellation, the contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

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**C14 Prescription:** 46.407(b) Contracting officers shall include procurement note C14 in solicitations and awards.

**C14 Repackaging or Relabeling to Correct Deficiencies (AUG 2017)**

The Government may correct packaging or labeling deficiencies if the estimated costs of the corrections are \$300 or less (\$500 for C&T items). The contracting officer will advise the contractor of the discrepancy and that the Government has completed the repackaging or relabeling. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

If the estimated costs of repackaging or relabeling are more than \$300 (\$500 for C&T), the contracting officer may advise the contractor of the discrepancy and have the material returned to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

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**C15 Prescription:** 47.305-3-90(d) The contracting officer shall include procurement note C15 in solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support with f.o.b. origin and inspection/acceptance at destination, except (i) contracts with Classified, Controlled, or Sensitive Items; (ii) hazardous material (HAZMAT) contracts; (iii) Foreign Military Sales (FMS) contracts; or (iv) contracts being shipped to APO/FPO addresses.

**C15 First Destination Transportation (FDT) Program, Government-Arranged Transportation for Automated Awards (AUG 2017)**

(1) Definitions.

“*Government-arranged transportation*” means the Government is responsible for transportation costs, providing the carrier, and scheduling the shipment pickup contingent upon proper contractor notification in VSM (see procurement note C20).

(2) The contractor shall:

(a) Use the VSM to notify the Government that the materiel is ready to ship. The Government can take up to two (2) full business days to schedule the shipment. Pick-up should occur within five (5) business days of the contractor's notification. The contractor shall plan for sufficient time for scheduling the shipment and standard ground transportation for its material to arrive at the destination by the Contract Delivery Date (CDD).

(b) Address the following special accommodations:

(i) If an order specifies carrier equipment when requested by the Government; or

(ii) If an order does not specify carrier equipment, the order appropriate carrier equipment should not be in excess of capacity to accommodate shipment;

(c) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the contractor) on or in the carrier's conveyance as required by carrier rules and regulations

(3) The contractor is responsible for any loss and/or damage to the goods occurring before delivery to the carrier as a result of improper loading, stowing, trimming, blocking, and/or bracing of the shipment if loaded by the contractor on or in the carrier's conveyance.

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**C16 Prescription:** 47.305-3-90(e) The contracting officer shall include procurement note C16 in solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support with f.o.b. origin and inspection/acceptance at destination for manual solicitations, unless one of the exclusions in 47.305-3-90 (a)-(c) applies.

**C16 First Destination Transportation (FDT) Program, Government-Arranged Transportation for Manual Awards (AUG 2017)**

(1) Definitions.

“Government-arranged transportation” means the Government is responsible for transportation costs, providing the carrier, and scheduling the shipment pickup contingent upon proper contractor notification in VSM (see procurement note C20).

(2) The contractor determines its transportation processes, controls, or costs. The contractor may submit an offer based on f.o.b. destination if it offers a better value to the Government.

(3) The contractor shall:

(a) Use the VSM to notify the Government that the materiel is ready to ship. The Government can take up to two (2) full business days to schedule the shipment. Pick-up should occur within five (5) business days of the contractor’s notification. The contractor shall plan for sufficient time for scheduling the shipment and standard ground transportation for its material to arrive at the destination by the Contract Delivery Date (CDD).

(b) Address the following special accommodations:

(i) If an order specifies carrier equipment when requested by the Government; or

(ii) If an order does not specify carrier equipment, the order appropriate carrier equipment should not be in excess of capacity to accommodate shipment;

(c) Deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the contractor) on or in the carrier’s conveyance as required by carrier rules and regulations

(4) The contractor is responsible for any loss and/or damage to the goods occurring before delivery to the carrier as a result of improper loading, stowing, trimming, blocking, and/or bracing of the shipment if loaded by the contractor on or in the carrier’s conveyance.

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**C17 Prescription:** 47.305-3-91 The contracting officer at DLA Aviation, DLA Land and Maritime, and DLA Troop Support, shall include procurement note C17 in solicitations and contracts when the material master indicates f.o.b. origin and inspection/acceptance at destination and the shipment originates from outside the contiguous United States with a contiguous United States location as the pick-up point in VSM.

**C17 First Destination Transportation (FDT) Program – Shipments Originating from Outside the Contiguous United States (AUG 2017)**

(1) This acquisition is being conducted under the FDT Program. Delivery terms are f.o.b. origin. Inspection and acceptance by the Government will occur at destination.

(2) For offerors whose shipments will originate from outside the contiguous United States, the offeror’s f.o.b. origin price shall include transportation to a contiguous United States location that the offeror selects based on cost-effectiveness or other variables at the offeror’s discretion. This location shall be deemed the point of origin for purposes of the f.o.b. origin terms and conditions of the solicitation or award. The offeror shall identify this contiguous United States location as the pick-up point in VSM at <https://vsm.distribution.dla.mil>.

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**C18 Prescription:** 47.305-10-90(a) The contracting officer shall include procurement note C18 in solicitations and contracts including shipments to overseas customers including shipments direct to APO/FPO addresses, shipments to Alaska, Hawaii, and Puerto Rico, and shipments routed through the Container Consolidation Points (CCPs) at San Joaquin, California (W62N2A) and New Cumberland, Pennsylvania (W25N14). The contracting officer shall use FAR 52.247-52 when using procurement note C18. The contracting officer shall not include procurement note C18 in solicitations and contracts under the First Destination Transportation Program (see 47.305-3-90).

**C18 Shipping Instructions for Export and U.S. Territories (AUG 2017)**

(1) Mail instructions (Army Post Office (APO) or Fleet Post Office (FPO) addresses). Route shipments within mail limitations to the address cited with each contract line-item (CLIN) in the following manner, based on the TP (Transportation Priority) reflected in the "mark for" data with each CLIN:

(a) U.S. mail is the only mode authorized for shipments to APO or FPO addresses.

(b) Commercial small parcel carriers (e.g., UPS, RPS or Federal Express) and Commercial Motor Carriers are never an acceptable mode to any APO/FPO address. A small parcel carrier may not be used for any destination in Alaska, Hawaii, or Puerto Rico, unless the carrier guarantees delivery to that specific consignee.

(c) Address parcel post shipments to an APO/FPO address to the "Commander" or "Commanding Officer" if there is no title preceding the address. Annotate shipments under the return address as follows: "Contents for official use - exempt from customs requirements."

(d) Contact the cognizant office prior to shipment for TP1, TP2, (IPD 01-08), 999, NMCS, regardless of distance from origin to the APO/FPO address. Package shipments for transportation by Military Air (MILAIR).

(e) Use surface parcel post (fourth class) for TP3 (IPD 09-15).

(f) The cost of parcel post insurance will not be paid by the Government.

(2) Shipments to container consolidation points (CCPs):

(a) Contact the Government Transportation Office for the Contract Administration Office: either DCMA for DCMA administered awards or DLA Distribution for awards administered by the issuing office. See Block 7 of Department of Defense (DD) form 1155 (page 1 of an order) to obtain shipping instructions for release to the carrier.

(3) Shipments to container consolidation points (CCPs):

(a) Prepare shipments directed to a CCP shown with each individual CLIN on Schedule Continuation Sheet(s) in accordance with instructions provided within this contract for Preparation for Delivery.

(b) Contact the Transportation Officer for shipping instructions for the following CCP shipments:

(i) Cargo requiring refrigeration/temperature control.

(ii) Classified or sensitive items requiring signature control.

(iii) When dimensions of an item or package exceed 456 inches (38 feet) long by 89 inches wide by 88 inches high, or weight exceeds 10,000 pounds. Cargo cannot exceed any one of the dimensions or the weight.

(iv) When volume or weight constitutes a full SEAVAN load for each activity code.

(v) Hazardous material such as material which is flammable, corrosive, combustible, explosive, toxic, radioactive, unduly magnetic, or which contains oxidizing agents.

(vi) Type 1 shelf life items,

(vii) TP1 and 2 (IPD 01-08) with RDD of 999, 777, or 555.

(4) The contractor shall furnish the above data no later than five (5) days prior to the scheduled shipment date for shipments weighing less than 10,000 pounds which will not be tendered as a carload or truckload

(5) The contractor may not ship prior to furnishing required data, regardless of weight.

(6) The contractor must clearly identify in invoices when shipment is made by air.

(7) The carrier must research the Transportation Facilities Guide (TFG) on the consignee to get information on who to contact to make delivery appointments. The carrier should schedule appointments as soon as they are given the load via the Carrier Appointment System (CAS)/prelodge desk prior to delivery of freight shipments (other than small parcels). Bills of Lading must be annotated with pertinent TFG data and carrier appointment times.

(8) The contractor must include the mailing address of the ultimate Consignee and "Mark For" information required as part of the address for parcel post or freight shipments, as applicable, included with the data cited with each individual CLIN. The contractor will comply with the paragraph (7) and ship in accordance with instructions furnished by the Transportation office. The Transportation Officer will furnish the addresses of Aerial terminals, as required. (Parcel post shipments will not be made to water or air terminals).

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**C19 Prescription:** 47.305-10-90(b) The contracting officer shall include procurement note C19 in solicitations and long-term contracts supporting customers outside the contiguous United States when supplies are to be shipped via surface freight, CCP appears in the shipping address, or any time the requisition or TCN begins with "A," "C," or "W" for Army, or "E" or "F" for Air Force, and the customer is outside the contiguous United States. The contracting officer shall use FAR 52.247-52 when using procurement note C19. The contracting officer shall not include procurement note C19 in solicitations and contracts under the First Destination Transportation Program (see 47.305-3-90).

**C19 Trans-Shipment of Material through DLA Containerization and Consolidation Points (CCP) (AUG 2017)**

(1) Shipping information overview:

(a) The contractor shall contact DLA Distribution for awards administered by DLA to schedule shipment and obtain export clearance and/or air clearance at:

DLA Distribution

Attention: Transportation Division

Email: [delivery@dla.mil](mailto:delivery@dla.mil)

Phone: 1-800-456-5507

(b) The contractor shall contact DCMA for awards DCMA administered awards to schedule shipment and obtain export clearance and/or air clearance at:

DCMA

Attention: Transportation Division

Email: [vsm.shipments@dcma.mil](mailto:vsm.shipments@dcma.mil)

Phone: 1-314-331-5573

(c) The contractor may obtain shipping addresses/labels and clearances via VSM.

(d) Package shipments in accordance with military standard (MIL STD) 2073. Mark shipments in accordance with MIL STD 129. When authorized, commercial packaging/packing provisions shall be in accordance with (ASTM D3951). Package shipments of petroleum products, liquid substances, and materials, or any other product defined as hazardous in accordance with United Nations regulations which can be accessed at <http://www.unece.org/trans/danger/publi/adr/adr2007/07ContentsE.html>.

(2) Shipping documentation.

(a) The contractor shall annotate all shipping documents (bills of lading or other delivery documents) in the description of articles space with:

(i) Transportation control number (TCN);

(ii) Required delivery date (RDD), project (if any), transportation priority (TP); and

(iii) Ultimate consignee DODAAC and address (see "added marking for freight shipping").

(b) The contractor shall place one copy of the contract in a waterproof envelope and attach it to the shipping container, or to the #1 shipment container (in a waterproof envelope), marked # 1 of the total number of containers, if a multi-piece shipment.

(3) Eligible shipments: The CCPs provide a means to consolidate shipments from multiple shippers who do not regularly generate full 463L pallet or ISO container shipments to a single activity outside the contiguous United States. The CCPs consolidate all depot, contractor, and other DoD authorized shipments originating within the contiguous United States and destined for activities outside the contiguous United States identified by the sponsoring Services/Agencies. Only shipments identified for CCP movement in the individual activities' address record will route through the DLA CCPs at either DLA Distribution San Joaquin, CA ((DDJC), or DLA Distribution New Cumberland, PA (DDSP).

(a) DLA Distribution San Joaquin, CA (DDJC).

(i) DDJC accepts shipments included below. The carrier will make a delivery appointment at least 72 hours in advance and are required through the Carrier Appointment System (CAS).

(A) Routine surface shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army, Air Force, Marine Corps, and DLA activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific.

(B) Air Eligible shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army activities located in Hawaii, Japan, Okinawa, Korea, Alaska, and throughout the Pacific.

(ii) Contact information for DLA DDJC (Tracy site):

General Phone: (209) 839-5028

General FAX: (209) 982-3790

Receiving/delivery appointments: (209) 839-5543

Registration/system information: 1-800-462-2176, option 3

(b) Defense Distribution Depot Susquehanna, Pennsylvania (DDSP).

(i) DDSP accepts shipments included below. The carrier will call 24 hours in advance to schedule an appointment.

(A) Routine surface shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army, Air Force, and DLA activities located in northern and southern Europe, Africa, South America, and Central America.

(B) Air eligible shipments, unless the material meets one of the exclusions listed in paragraph (4) of this procurement note, for Army and DLA activities throughout Northern and Southern Europe, Africa, South America, and Central America and Marine Corps shipments in the CENTCOM AOR.

(ii) Contact information for DDSP (New Cumberland site):

General Phone: (717) 770-6393

General FAX: (717) 770-8660

Receiving/delivery appointments: 1-800-307-8496

(c) All high priority/air eligible material not listed above must be routed to the appropriate Air Mobility Command aerial terminal or other contiguous United States service designated activity as directed by the Transportation Office (see paragraph (1)(a) of this procurement note). Contractors must contact the appropriate Transportation office to ensure these items have been cleared through the Air Clearance Authority prior to shipping to the aerial port.

(4) Exclusions: Materiel not eligible for shipment to a DLA CCP because of exclusions listed below or when the shipment shall be directly to an appropriate aerial terminal, water port, or a contiguous United States designated activity as directed by the Transportation Office (see paragraph (1)(a) of this procurement note).

(a) Excluded material:

(i) Any material listed in Defense Transportation Regulation (DTR) DOD 4500.9-R, Chapter 203, Tables 203-10 mandatory CCP exclusions), 203-11 (additional CCP exclusions for DDSP and DDJC) and 203-12 (additional mandatory CCP Exclusions for DDSP). The Defense Transportation Regulation (DTR) can be accessed at: [http://www.transcom.mil/j5/pt/dtrpart2/dtr\\_part\\_ii\\_203.pdf](http://www.transcom.mil/j5/pt/dtrpart2/dtr_part_ii_203.pdf). Note: All shipments destined for CENTCOM AOR require application of radio frequency tags (RFID) for in-transit visibility of the material.

(ii) Foreign military sales (FMS). FMS is shipped via special consolidation locations for the security assistance program (SAP) as listed in the military assistance program address directory (MAPAD) in accordance with the Delivery Term Code (DTC) requirements. Contact the DLA Distribution or DCMA transportation office (paragraph (1)(a) of this note) for proper shipping instructions.

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**C20 Prescription:** 47.204-90(a)(1) The contracting officer shall include procurement note C20 in all solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support, except for metals or wood products, or when DCMA administers the contract and any of the following apply:



- (i) Contracts where ultimate destination is outside the contiguous United States;
- (ii) Hazardous material (HAZMAT) contracts;
- (iii) Foreign Military Sales (FMS) contracts; or
- (iv) Contracts requiring Transportation Protective Service.

**C20 Vendor Shipment Module (VSM) (AUG 2017)**

(1) DLA's Vendor Shipment Module (VSM) is a web-based system available to DLA contractors for the purpose of obtaining current shipping addresses, two-dimensional bar coded shipping labels in accordance with MIL-STD-129P, bills of lading, packing lists, and other shipping documentation. VSM replaces the need for the contractor to contact the transportation office prior to shipping items. The use of VSM for f.o.b. destination contracts allows for the printing of labels and can also be used to print labels and arrange for shipping on f.o.b. origin contracts.

(2) To obtain information for contracts administered by DLA or to register as a VSM user, contact the DLA VSM Helpdesk at (800) 456-5507 or via email to [delivery@dla.mil](mailto:delivery@dla.mil).

(a) Prior to contacting the Government that material is ready to ship, the contractor shall complete their VSM profile, to include regular business hours and observed holidays. The Government may request reimbursement for occurrences when the Government sends carrier equipment but is unable to pick-up a shipment due to the material not being available or the contractor being closed.

(3) To obtain information for contracts administered by DCMA, contact the DCMA VSM Helpdesk at (314) 331-5573 or [vsm.shipments@dcma.mil](mailto:vsm.shipments@dcma.mil).

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**C21 Prescription:** 47.305-90(b)(1) The contracting officer shall include procurement note C21 in solicitations and contracts issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support when DCMA administers the contract and any of the following apply:

- (i) Contracts where ultimate destination is outside the contiguous United States;
- (ii) Hazardous material (HAZMAT) contracts;
- (iii) Foreign Military Sales (FMS) contracts; or
- (iv) Contracts requiring Transportation Protective Service.

**C21 Shipping Instruction Request (SIR) (AUG 2017)**

(1) DCMA's Shipping Instruction Request (SIR) is a web-based system that contractors and transportation specialists use to provide transportation management for contracts administered by DCMA.

(2) SIR shall be used for the following contracts:

- (a) Contracts where the ultimate destination is outside the contiguous United States.
- (b) Hazardous material (HAZMAT) contracts.
- (c) Foreign Military Sales (FMS) contracts.
- (d) Contracts requiring Transportation Protective Service.

(3) Contractors shall submit information to DCMA via Shipping Instruction Request (SIR) e-Tool. The SIR e-Tool can be accessed through External Web Access Management (EWAM) application <http://www.dcma.mil>.

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**C22 Prescription:** 11.9202(d) Contracting officers shall include procurement note C22 in all solicitations and awards when procuring FAA certified parts for DLR items.

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**C22 Federal Aviation Administration (FAA) Certified Parts – Depot Level Repairable (DLR) Items (DEC 2018)**

Offerors not identified by the requiring activity as an acceptable source are ineligible for award. To be considered for future awards, ineligible offerors must submit to the contracting officer a Source Approval Request, which must be approved by the requiring activity.

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**E01 and E02 Prescription:** 9.306(h) Solicitations and awards shall include either procurement note E01 or E02 when the requirement indicates that the contractor or Government shall hold the units.

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

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

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

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

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**E03 Prescription:** 46.291(a) Solicitations and awards shall include procurement note E03 where PLT is required, including FAR Part 12 acquisitions. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

**E03 Production Lot Testing – Contractor (SEP 2016)**

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR of the time and location of the test at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the production lot test, so the Government may witness the test.

(3) The QAR will select [*contracting officer shall insert number of samples identified in Product Master*] samples at random from the production lot(s) produced.

(4) The contractor shall perform all tests on the PLT samples to verify/validate for the QAR that the items meet the contract technical/quality requirements.

(5) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall notify the contracting officer and propose corrective action, if appropriate.

(6) Prepare and disseminate the PLT report as follows:

(a) Prepare the test report in accordance with data item description DI-NDTI-80809B and mark the test report, “Production Lot Test Report, Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*].”

(b) Present the contractor’s PLT report to the QAR for review.

(c) Include the following documentation with all shipments of PLT Reports: DD Form 1222 and DD Form 250/iRAPT Receiving Report signed by the QAR; a copy of the contract/order; a copy of all applicable test reports showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample, with proper marking to restrict public disclosure (if desired) and from Government use other than for evaluation to the extent consistent with the Government’s data rights under the contract, and documents required under a contract deliverables requirements list, if applicable.

(d) Submit all required documentation to the Government activity specified in the contract in time to allow for at least [*contracting officer shall insert number of days as shown in Product Master* ]

calendar day period for review of the PLT report, and for the contracting officer to provide written notification of approval/disapproval to the contractor.

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**E04 Prescription:** Solicitations and awards shall include the procurement note E04 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

**E04 Production Lot Testing – Government (AUG 2017)**

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot to the QAR for selection of PLT samples.

(3) The QAR will select [*contracting officer shall insert the number of samples identified in the Product Master*] samples, at random from the production lot(s) produced. If the quantity stated in the previous sentence equals “ZZ,” the contractor should use the appropriate sample size identified within the Technical Data Package or applicable Sample Plan provided by the Government. The contractor will seek approval of the sample size with the QAR.

(4) The contractor shall ship the PLT samples to [*contracting officer shall insert name and location of testing facility as identified in Product Master*] by traceable means. Shipment shall be marked “Production lot samples – do not post to stock,” contract and lot number. A copy of the DD250/iRAPT Receiving Report shall be placed on the exterior of the shipping container in accordance with MIL-STD-129. Include the following interior documentation: DD Form 1222 and DD250/iRAPT Receiving Report signed by the QAR; copy of contract/order; copies of test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor’s responsibility); documents required under contract deliverables requirements list; and a prepaid shipping label or document with the information required to return the PLT samples to the contractor at no cost to the Government.

(5) At time of shipment, copies of the signed DD Form 1222, DD250/iRAPT Receiving Report, transportation tracking information, and information for return of the PLT samples shall be provided to the contracting officer. The Government testing time will be [*contracting officer insert number of days for test, as shown in the Product Master*] calendar days for the test results to be provided to the contractor.

(6) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall propose corrective action, if appropriate.

(7) PLT samples will be returned to the contractor, with a copy of the test report, at contractor expense.

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**E05 Prescription:** 46.292 All solicitations and awards shall include procurement note E05.

**E05 Product Verification Testing (JUN 2018)**

(1) Product verification testing (PVT) may be invoked at contract award or after contract award. If PVT is invoked at contract award, the contract will explicitly state this testing requirement and a QALI will be generated. If PVT is invoked after contract award, a QALI will be created and the DCMA quality assurance representative (QAR) will notify the contractor that testing will be performed. The PVT testing will be performed at a Government-designated testing laboratory.

(a) The contractor shall not ship or deliver any material unless directed to do so in writing by the contracting officer or until notified of acceptable PVT results.

(b) PVT results will be provided in 20 working days after receipt at the Government testing facility, unless otherwise specified in writing by the Government.

(2) The QAR will select a random sample from the contractor's production lot. Selected PVT samples are to be shipped by the contractor with a copy of the Department of Defense DD Form 250 and the completed DD Form 1222. The packaging will be marked "Product Verification Test Samples, Contract number \_\_\_\_\_, lot/item number \_\_\_\_\_."

(3) Test results will indicate one of the following:

(a) Samples that pass testing and are not destroyed during evaluation will be returned to the contractor at the Government's expense and will be included as part of the total contract quantity. The contractor and Government may agree to dispose of samples not destroyed when the cost of the item does not justify the shipping expense. Samples that pass testing and are not returned to the contractor will be considered part of the contract quantity for payment and delivery. The contractor will deliver the remaining lot quantity minus sample units.

(b) If samples fail testing, such failure will result in rejection of the entire contract lot from which the samples were taken. At the Government's discretion, parts failing any test criteria may be retained and not be returned to the contractor.

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**E06 Prescription:** 46.402 Contracting officers shall include procurement note E06 in solicitations and contracts that require source inspection and acceptance.

**E06 Inspection and Acceptance at Source (JUN 2018)**

Inspection and acceptance are at source. The place of acceptance is the location where the Government conducts the last inspection before shipment, unless the contractor indicated a different physical location for acceptance below.

The contractor shall indicate the location where supplies will be inspected, if different from the production location:

Commercial and Government Entity (CAGE) code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to contract line item numbers(s) (CLIN(s)): \_\_\_\_\_

The contractor shall indicate the location where packaging will be inspected, if different from the production location:

( ) Same as for supplies OR

CAGE code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to CLIN(s): \_\_\_\_\_

The contractor shall indicate the location where supplies will be accepted, if different from the inspection location:

Commercial and Government Entity (CAGE) code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to contract line item numbers(s) (CLIN(s)): \_\_\_\_\_

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**E07 Prescription:** 46.402(S-91) Contracting officers shall include procurement note E07 in solicitations that require destination inspection.

**E07 Evaluation Factor for Origin Inspection (JAN 2018)**

This solicitation contemplates an award based on destination inspection. If an offeror proposes inspection and acceptance at origin, the Government will add an evaluation factor of \$2,500 to the offeror's quoted/offered price for each origin inspection required. If phased deliveries are required or offered, the Government will consider each phase of delivery to result in one inspection for evaluation purposes.

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**G01 Prescription:** 47.305-4-90 The contracting officer shall include Procurement Note G01 in solicitations and contracts that require f.o.b. destination and inspection/acceptance at destination.

### **G01 Additional Wide Area Workflow (WAWF) Information (AUG 2017)**

Contractors shall include the Transportation Control Number (TCN) and carrier shipment tracking information when submitting the DD250/iRAPT Receiving Report in Wide Area Workflow (WAWF) in order to assist with material inspection and acceptance.

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**H01 Prescription:** 9.202(a)(2)(i) Solicitations and awards shall include procurement note H01 when purchasing qualification items in Federal Supply Class (FSC) 5935.

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

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

- (1) Name of the quality assurance representative;
- (2) Name of connector manufacturer(s);
- (3) Manufacturer(s) part numbers (P/N);
- (4) Name of contact manufacturer(s); and
- (5) The Commercial and Government Entity (CAGE) code of the manufacturer.

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**H02 Prescription:** 9.202(a)(2)(v) Solicitation and awards shall include procurement note H02 when purchasing component qualification items.

### **H02 Component Qualified Products List (QPL)/Qualified Manufacturers List (QML) (SEP 2016)**

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

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**H03 Prescription:** 9.306(a) Solicitations and awards shall include procurement note H03 when FAT is applied.

### **H03 Supplemental First Article Testing Requirements (OCT 2016)**

(1) If there is not a separate contract line item number (CLIN) for FAT, production CLIN pricing shall include all costs and risk associated with completion of the FAT requirement.

(2) If there is a separate FAT CLIN, the FAT CLIN pricing shall include all costs and risk associated with completion of the FAT requirement; if no FAT CLIN pricing is proposed, no payment will be made for any costs associated with FAT. Unit pricing shall be based solely on all costs associated with completion of the production units and shall exclude all FAT-related costs.

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

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

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

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

- (ii) Item previously furnished, identified by part number, type, model number, etc.
- (iii) Engineering control document/change number of item previously furnished.
- (iv) There have been no changes to manufacturing processes, tooling, or locations.

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

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

(5) For test report preparation and delivery of contractor FAT, utilize data item description DI-NDTI80809B report format. Mark the test report with the following: "First article test report – Contract number: [insert contract number] and lot/item number: [insert lot/item number]. Present the test report to the QAR for review. Forward the QAR signed FAT Report, accompanied by the DD Form 250 and a contractor certification that the same process and facilities used to manufacture the first article units will be used to manufacture the production units, to the contracting officer at the applicable address shown below:

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

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

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

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

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

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

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

(a) DLA Land & Maritime – [DSCCProdVerif@dla.mil](mailto:DSCCProdVerif@dla.mil)

(b) DLA Aviation – [DSCR.Test&EvaluationOffice@dla.mil](mailto:DSCR.Test&EvaluationOffice@dla.mil)

(8) If Government FAT units are conditionally approved or disapproved, the Government shall take action in accordance with FAR 52.209-4. At the Government's discretion, disapproved FAT units sent to

the Government may be returned to the contractor, if the contractor submitted the return address and shipping account for payment.

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**H04 Prescription:** 9.270-3(a) All solicitations and contracts for CSI shall list the items in DFARS 252.209-7010 and shall include procurement note H04.

**H04 Sourcing for Critical Safety Items (SEP 2016)**

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

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**H05 Prescription:** 13.390(e) Contracting officers shall include procurement notes H05 or H06 in IDCs below the SAT RFQs.

**H05 Bilateral Indefinite-Delivery Contract (IDC) Below the Simplified Acquisition Threshold (SAT) (SEP 2017)**

(1) The Government will award a bilateral IDC below the SAT resulting from this request for quote to the responsible offeror whose offer conforming to the terms and conditions in the request for quote will be most advantageous to the Government, price and other factors considered. The offeror receiving the award is required to sign the basic contract and return the signed contract to the contracting officer.

(2) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(3) Once the guaranteed minimum quantity for the IDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic contract, effective from the date of the basic award. All additional orders will reference the basic contract, which documents the terms and conditions of the IDC. The maximum aggregate value of orders under the IDC below the SAT is stated in the basic contract; the aggregate value of all orders will not exceed the simplified acquisition threshold or, for IDCs below the SAT using FAR Subpart 13.5, the thresholds in 13.500(a).

(4) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination, if applicable.

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**H06 Prescription:** 13.390(e) Contracting officers shall include procurement notes H05 or H06 in IDCs below the SAT RFQs.

**H06 Unilateral Indefinite-Delivery Contract (IDC) Below the Simplified Acquisition Threshold (SAT) (SEP 2017)**

(1) The Government will award an IDC below the SAT resulting from this request for quote to the responsible offeror whose offer conforming to the terms and conditions in the request for quote will be most advantageous to the Government, price and other factors considered.

(2) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(3) Acceptable contractor performance on the initial delivery order creates the IDC below the SAT, and is agreement by the contractor to accept additional orders under the same terms and conditions specified in the basic award.

(4) Once the guaranteed minimum quantity for the IDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic award, effective from the award date. All additional orders will reference the basic award, which documents the terms and conditions of the IDC. The maximum aggregate value of orders under the IDC below the SAT is stated in the basic award; the aggregate value of all orders will not exceed the simplified acquisition threshold or, for IDCs below the SAT using FAR Subpart 13.5, the thresholds in 13.500(a).

(5) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination, if applicable.

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**H07 Prescription:** 9.306(S-90) Solicitations and awards shall include procurement note H07 when first article testing is required and the contracting officer anticipates a split award to more than one source of supply to facilitate supply availability. This procedure shall not be used when establishing requirements contracts or multiple award task or delivery order indefinite quantity contracts, or when partial small business set-asides apply.

**H07 Supply Assurance through Multisource Contracting (SEP 2017)**

(1) "*Proven source*" means a source that has successfully met first article testing (FAT) requirements in the past and has been identified by the Government as currently meeting the criteria for FAT waiver.

(2) The Government may make multiple awards to assure the availability of supplies when FAT is required. When the contracting officer determines it is in the Government's best interest to increase the likelihood of timely supply availability, the contracting officer may make awards to both an unproven and a proven source of supply for this item. If there are no sources currently waived for the FAT requirement, the contracting officer may make awards to more than one unproven source of supply.

(3) If multiple awards will be made pursuant to (2) above, the source that represents the best value to the Government based on the evaluation criteria in the solicitation shall receive not less than 60% of the total requirement.

(4) Unless an offeror otherwise qualifies its offer, unit prices submitted for the total requirement will apply to any partial awards.

(5) If multiple awards are made pursuant to (2) above and one of the awardees is an unproven source that fails to successfully complete FAT requirements, the Government may increase the quantity of supplies called for in the schedule of this contract to the second awardee, if it is a proven source or is a previously unproven source that has successfully completed the FAT requirements for this contract, at the unit prices specified by the second awardee, up to and including 100% of the quantity awarded to the unproven source that was subject to the failed FAT. This option is separate and distinct from any other option terms and conditions included in this contract.

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**L01 Prescription:** 4.502(b) Solicitations for purchase orders and contracts (except indefinite delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts) shall include procurement note L01.

**L01 Electronic Award Transmission (SEP 2016)**

Notice of awards are provided to suppliers by either:

(1) Electronic email containing a link to the electronic copy of the Department of Defense (DD) Form 1155, Order for Supplies or Services, on the DIBBS; or

(2) Electronic Data Interchange (EDI) 850 utilizing American National Standards Institute (ANSI) X12 Standards through a DLA transaction services approved Value Added Network (VAN).

Information regarding EDI, ANSI X12 transactions and DLA transaction services approved Value Added Networks (VANs) can be obtained at <https://www.transactionservices.dla.mil/daashome/edi-vanlistdla.asp>.

Questions concerning electronic ordering should be directed to the appropriate procuring organization point of contact below:

DLA Land and Maritime, [Helpdesk.EBS.L&M.LTCs@dla.mil](mailto:Helpdesk.EBS.L&M.LTCs@dla.mil)

DLA Troop Support, [dlaedigroup@dla.mil](mailto:dlaedigroup@dla.mil)

DLA Aviation, [avnprocsysproceddiv@dla.mil](mailto:avnprocsysproceddiv@dla.mil), phone # 804-279-4026

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**L02 Prescription:** 4.502(b) Solicitations for indefinite-delivery/indefinite quantity task or delivery order contracts, requirements contracts, and multiple award federal supply schedule-type contracts shall include procurement note L02.



**L02 Electronic Order Transmission (SEP 2016)**

Offerors shall identify one of the following alternatives for paperless order transmission:

( ) American National Standards Institute (ANSI) X12 Standards through a DLA transaction services approved value added network (VAN).

( ) Electronic mail (email) award notifications containing web links to electronic copies of the Department of Defense (DD) Form 1155, Order for Supplies or Services.

Email notification requires registration on the DLA internet bid board system (DIBBS) home page at <https://www.dibbs.bsm.dla.mil/>.

If the offeror elects ANSI/VAN order transmission, DLA will send Electronic Data Interchange (EDI) transaction sets at time of award. The contractor shall acknowledge receipt of transaction sets with a functional acknowledgement or order receipt message within 24 hours. If the award transaction set is received on a weekend or Federal holiday, the acknowledgement must be received on the next working day. This acknowledgement will confirm that the contractor’s interface with the system is working as needed for contract ordering.

Note: Information regarding EDI, ANSI X12 transactions, and DLA transaction services approved VANs can be obtained from the DAAS web site by going to

<https://www.transactionservices.dla.mil/daashome/edi-vanlist-dla.asp>.

Questions concerning electronic ordering should be directed to the appropriate procuring organization point of contact below:

DLA Land and Maritime, [Helpdesk.EBS.L&M.LTCs@dlam.mil](mailto:Helpdesk.EBS.L&M.LTCs@dlam.mil)

DLA Troop Support, [dlaedigroup@dlam.mil](mailto:dlaedigroup@dlam.mil)

DLA Aviation, [avnprocsysproceddiv@dlam.mil](mailto:avnprocsysproceddiv@dlam.mil), phone # 804-279-4026

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**L04 Prescription:** 11.391(b) Solicitations shall include procurement notes L04 and M06 when items are identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.

**L04 Offers for Part Numbered Items (SEP 2016)**

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

Exact product —applies to contract line-item(s) (CLIN(s)): \_\_\_\_\_

CAGE code \_\_\_\_\_ part number \_\_\_\_\_

Alternate product – applies to CLIN(s): \_\_\_\_\_

CAGE code \_\_\_\_\_ part number \_\_\_\_\_

Superseding part number – applies to CLIN(s): \_\_\_\_\_

CAGE code \_\_\_\_\_ part number \_\_\_\_\_

Identify reason for superseding part number:

Administrative P/N change only: Yes \_\_\_ No \_\_\_

Minor change/No change in configuration: Yes \_\_\_ No \_\_\_

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

Contract or Solicitation Number: \_\_\_\_\_

CAGE code \_\_\_\_\_ part number \_\_\_\_\_

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

CAGE code in error/same corporation, different division Yes \_\_\_ No \_\_\_

CAGE code in error/sold to different corporation Yes \_\_\_ No \_\_\_

Part number not recognized Yes \_\_\_ No \_\_\_

Obsolete part number Yes \_\_\_ No \_\_\_

Other Yes \_\_\_ No \_\_\_

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

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

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

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

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

(c) Alternate product.

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

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

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

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

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

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

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

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

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

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

(g) Traceability documentation.

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

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

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

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

(iii) If the offeror is an authorized dealer/distributor, or manufactures the item for an approved source, a copy of the contractual agreement with, or the express written authority of, the approved source to buy, stock, repackage, sell, or distribute the part. The agreement must specifically identify the exact item, or otherwise ensure that the offeror is authorized by the approved source to manufacture or

distribute the exact item being acquired. If the agreement covers a general product line or is otherwise not product specific, the offeror must furnish additional documentation to address the exact item being acquired.

(iv) Other verifiable information.

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

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

(h) Alternate offer data.

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

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

(j) Evaluation of alternate offers

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

(1) For solicitation numbers beginning with SPE7:

DLA Land and Maritime  
Directorate of Procurement Alternate  
offer monitor, BPP  
Post Office (P.O.) Box 3990  
Columbus, Ohio 43218-3990

(2) For solicitation numbers beginning with SPE4:

DLA Aviation  
Office of the Competition Advocate  
Attention: BPC  
8000 Jefferson Davis Highway  
Richmond, Virginia 23297-5100

(3) For solicitation numbers beginning with SPE1, SPE2, SPE3, SPE5, or SPE8: DLA

Troop Support  
Attention: (see note below)  
700 Robbins Avenue  
Philadelphia, Pennsylvania 19111-5096

Note: The address (attention line) will change based on the 4th digit of the PIIN as follows:

SPE1 = Clothing and Textile (C&T)

SPE2 = Medical

SPE3 = Subsistence

SPE5 = Industrial Hardware (formerly Aviation or L&M detachments)

SPE8 = Construction and Equipment (C&E)

(4) For solicitation numbers beginning with SPRRA1 and SPRRA2:

Defense Logistics Agency – DLA Aviation

Office of the Competition Advocate

Building 5201

Redstone Arsenal, Alabama 35898

(5) For solicitation numbers beginning with SPRPA1:

DLA Philadelphia

Competition Advocate Office

700 Robbins Avenue Building 1

Philadelphia, Pennsylvania 19111-5098

(6) For Tank-Automotive and Armaments Command (TACOM) Depot Level Repairable (DLR) -

DLA Land and Maritime solicitations beginning with SPRDL1:

Defense Logistics Agency

DLR Procurement Operations - ZG

6501 East Eleven Mile Road

Warren, Michigan 48397-5000

(7) For Communications-Electronics Command (CECOM) DLR-DLA Land and Maritime solicitations beginning with SPRBL1: Defense Logistics Agency

DLR Procurement Operations - ZL

6001 Combat Dr., Rm. C1-301

Aberdeen Proving Ground, MD 21005-1846

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**L06 Prescription:** 33.103(d)(4) Solicitations must include procurement note L06 or language substantially as follows:

**L06 Agency Protests (DEC 2016)**

Interested parties may file an agency level protest with the contracting officer or may request an independent review by the chief of the contracting office (CCO). Independent review by the CCO is an alternative to consideration by the contracting officer and is not available as an appellate review of a contracting officer decision on a protest previously filed with the contracting officer.

Absent a clear indication of the intent to file an agency level protest with the CCO for independent review, protests will be presumed to be protests to the contracting officer.

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**L07 Prescription:** 37.110(a) Solicitations shall include procurement note L07 to identify Government points of contact for offerors who wish to inspect the Government installation where services will be performed.

**L07 Site Visit Instructions (OCT 2016)**

Primary Name:	Phone Number
Alternate Name:	Phone Number

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**L08 Prescription:** 15.303(c)(3)(i) Solicitations must include procurement note L08 to advise offerors when Supplier Performance Risk System (SPRS) will be used in the evaluation of suppliers' past performance for best value source selections valued under \$10 million.

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## **L08 Use of Supplier Performance Risk System (SPRS) in Past Performance Evaluations (APR 2018)**

(1) The Supplier Performance Risk System (SPRS) (<https://www.sprs.csd.disa.mil>) (formerly Past Performance Information Retrieval System – Statistical Reporting (PPIRS-SR)) will be used in the evaluation of suppliers' past performance.

(2) SPRS collects quality and delivery data on previously awarded contracts and orders from existing Department of Defense reporting systems to classify each supplier's performance history by Federal supply class (FSC) and product or service code (PSC). The SPRS application provides the contracting officer quantifiable past performance information regarding a supplier's quality and delivery performance for the FSC and PSC of the supplies being purchased.

(3) The quality and delivery classifications identified for a supplier in SPRS will be used by the contracting officer to evaluate a supplier's past performance in conjunction with the supplier's references (if requested). The Government will use this past performance information in accordance with the basis for award stated in the solicitation.

**L09 Prescription:** 15.407-90(c) Solicitations shall include procurement note L09 when the contracting officer may use a reverse auction.

## **L09 Reverse Auction (OCT 2016)**

The Contracting Officer may utilize reverse auctioning to conduct price discussions. If the Contracting Officer does not conduct a reverse auction, award may be made on initial offers or following discussions. If the Contracting Officer decides to use line reverse auctioning to conduct price negotiations, the Contracting Officer will notify Offerors of this decision and the following applies:

(1) The contracting officer may use reverse auction as the pricing technique during discussions to receive the final offered prices from each offeror.

(2) During each round of reverse auction, the system displays the lowest offer price(s) unless the auction instructions are different. All offerors and authorized auction users see the displayed lowest price(s). This disclosure is anonymous and a generic identifier displays for the offeror. Generic identifiers include designators such as "offer A" or "lowest-priced offeror." By submitting a proposal in response to the solicitation, offerors agree to participate in the reverse auction and that their prices may be disclosed, including to other offerors, during the reverse auction.

(3) An offeror's final auction price at the close of the reverse auction is considered its final price proposal revision. No price revisions will be accepted after the close of the reverse auction, unless the contracting officer decides that further discussions are needed and final price proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307, or the contracting officer determines that it would be in the best interest of the Government to re-open the auction.

(4) The contracting officer identifies participants to the DLA commercial reverse auction service provider. To be eligible for award and participate, the offeror must agree with terms and conditions of the entire solicitation and the commercial reverse auction service. The reverse auction pricing tool system administrator sends auction information in an email. The reverse auction system designates offers as "lead," meaning the current low price in that auction, or "not lead," meaning not the current low price in that auction. In the event of a tie offer, the reverse auction provider's system designates the first offer of that price as "lead" and the second or subsequent offer of that price as "not lead." If a tie offer is submitted and no evaluation factors other than price were identified in the solicitation or a low-price technically acceptable source selection is being used, the "Not Lead" offeror that submitted the tie offer must offer a changed price; otherwise its offer will be ineligible for award. If evaluation factors in addition to price were listed in the solicitation and a tradeoff source selection is being used, tie offers that are "Not Lead" will be considered and evaluated.

(5) Offerors unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the

offeror's inability to enter pricing is determined to be without fault on the part of the offeror and outside the offeror's control.

(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.

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**L10 Prescription:** 15.407-90(d) Contracting officers must use procurement note L10 when reverse auction may be used for some or all delivery orders issued against a multiple award contract with competitive ordering. Examples include FAR Subpart 8.4 requests for quotes and blanket purchase agreements (BPAs) when the BPA ordering process follows FAR 8.405-3(c)(2)(ii) or (iii).

**L10 Competing Individual Delivery Orders Through Reverse Auctions (OCT 2016)**

(1) A reverse auction may be used as the price negotiation technique when competing delivery orders under this contract. The contracting officer issues a request for proposal. After receiving proposals, the contracting officer will then send written notice via email to contractors with specifics about the reverse auction.

(2) Each contractor identified by the contracting officer as a participant in the reverse auction will be contacted by the DLA commercial reverse auction service provider to advise the contractor of the event and to provide an explanation of the process.

(3) The reverse auction will be conducted using the commercial reverse auction service provider's website, as embedded in the email notification. Participants shall be responsible for providing their own computer and Internet connection.

(4) Prior to the reverse auction, the Government will determine whether all participants' prices, or just the lowest price(s), will be disclosed to other auction participants and to anyone else having authorized access to the auction. This disclosure is anonymous, meaning that each participant's identity will be concealed from other participants (although it will be known to the Government). If the Government opts to disclose one or more participant's prices, only generic identifiers will be used for each participant's proposed pricing (e.g., "participant A or "lowest priced participant"). By submitting a proposal for a solicitation that includes this note, a contractor agrees to participate in the reverse auctions that will be conducted for award of specific delivery orders to be issued under the resulting multiple award contract, and that its quoted prices for a delivery order may be disclosed to other Contractors participating in the reverse auction.

(5) Any contractor unable to enter pricing through the commercial reverse auction service provider's system during a reverse auction must notify the contracting officer or designated representative immediately. The contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the contractor's inability to enter pricing is determined to be without fault on the part of the participant and outside the contractor's control.

(6) Training. The commercial reverse auction service provider or government representative conducts training for offerors. Offerors receive training through written material, the commercial reverse auction service provider's website, or other means. Trainers name employees successfully completing the training as a "Trained Offeror." Only trained offerors may engage in a reverse auction. The contracting officer reserves the right to remove the "trained offeror" title from anyone who fails to obey the solicitation or commercial reverse auction service provider terms and conditions.

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**L11 Prescription:** 19.301(S-90) Use procurement note L11 in solicitations above the SAT.

**L11 Small Business Program Representations (AUG 2017)**

(1) In order to facilitate the use of electronic commerce/electronic data interchange while fulfilling the requirements of the small business program, the Government provides certain socioeconomic information in a coded format rather than a fill-in. Electronic commerce/electronic data interchange (EC/EDI) transactions are often reformatted in transmission. Using these codes prevents misinterpretations within the system and increases accuracy in socioeconomic program reporting.

(2) To reflect the representations and certifications contained in Federal Acquisition Regulation (FAR) 52.219-1, Small Business Program Representations, the offeror represents and certifies as a part of its offer that it is a \_\_\_\_ business type as defined in FAR 52.219-1. The offeror shall select the one alpha code from the following listing that represents the offeror's business type. The offeror's recording of its business type in this procurement note by means of an alpha code replaces the marking of the appropriate boxes in FAR 52.219-1(b). Penalties for misrepresentation of business status apply (see FAR 52.219-1, paragraph (d)(2)).

Code B = Small Business. Enter code B if your firm is a small business concern, as defined in FAR 52.219-1, paragraph (a).

Code M = Small Disadvantaged Business. Enter code M if your firm is a small disadvantaged business concern, as defined in FAR 52.219-1, paragraph (a).

Code U = Woman-Owned Small Disadvantaged Business. Enter code U if your firm is a woman-owned business, as defined in FAR 52.219-1, paragraph (a), and a small disadvantaged business, as defined in FAR 52.219-1, paragraph (a).

Code W = Woman-Owned Small Business. Enter Code W if your firm is a woman-owned small business, as defined in FAR 52.219-1, paragraph (a).

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**L12 Prescription:** 19.301(S-91) Use procurement note L12 for automated solicitations valued over the micro-purchase threshold and less than or equal to the SAT; or when an exception to the rule applies, and a set-aside to a HUBZone small business concern or small business concern is anticipated.

**L12 Combined Historically Underutilized Business Zone (HUBZone)/Small Business Set-Aside Instructions – Type 1 (AUG 2017)**

(1) This solicitation is restricted to HUBZone small business concerns, small business concerns, and Federal Prison Industries (FPI). The Government encourages all small business concerns to submit quotations. The Government will make awards based on the following order of set-aside precedence:

(a) HUBZone small business concerns (Federal Acquisition Regulation (FAR) clause 52.219-3).

(b) If no qualified quote is received from a HUBZone small business concern at a fair market price, small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II).

(2) The FAR clauses contained in this procurement note (except paragraph (b) of 52.219-3) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

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**L14 Prescription:** 19.301(S-92) Use procurement note L14 for automated solicitations valued over the micro-purchase threshold and less than or equal to the SAT; or when an exception to the rule applies, and a set-aside to a service-disabled veteran-owned small business concerns, a HUBZone concern, or a small business concern is anticipated.

**L14 Combined Set-Aside Instructions – Type 1 (AUG 2017)**

(1) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). The Government encourages all small business concerns to submit quotations. The Government will make awards based on the following order of set-aside precedence:

(a) Service-disabled veteran-owned small business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) 52.219-27).

(b) If no qualified quote is received from an SDVOSB concern at a fair market price, historically underutilized business zone (HUBZone) small business concerns (FAR 52.219-3).

(c) If no qualified quote is received from a HUBZone small business concern at a fair market price, small business concerns (FAR 52.219-6) or FPI (FAR 52.219-6, Alternate II).

(2) The FAR clauses contained in this procurement note (except paragraphs (b) of 52.219-3 and 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

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**L16 Prescription:** 19.301(S-93) Use procurement note L16 for automated solicitations valued over the micro-purchase threshold and less than or equal to the SAT when the non-manufacturer rule is not waived; or when an exception to the rule applies, and a side-aside to an SDVOSB concern or a small business concern is anticipated.

**L16 Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 1 (AUG 2017)**

(1) This solicitation is restricted to small business concerns and Federal Prison Industries (FPI). The Government encourages all small business concerns to submit quotations. The Government will make awards based on the following order of set-aside precedence:

(a) Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) 52.219-27).

(b) If no qualified quote is received from a SDVOSB concern at a fair market price, small business concerns (FAR 52.219-6, Alternate I) or FPI (FAR 52.219-6, Alternate II).

(2) The FAR clauses contained in this procurement note (except paragraph 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

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**L17 Prescription:** 19.301(S-94) Use procurement note L17 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when the non-manufacturer rule is waived, no exception to the rule applies, and a set-aside to a service-disabled veteran-owned small business concern or a small business concern is anticipated.

**L17 Combined Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Instructions – Type 2 (AUG 2017)**

(1) This solicitation is restricted to service-disabled veteran-owned small business, small business concerns, and Federal Prison Industries (FPI). The Government encourages all small business concerns to submit quotations. The Government will make awards based on the following order of set-aside precedence:

(a) Service-disabled veteran-owned small business (SDVOSB) concerns (Federal Acquisition Regulation (FAR) 52.219-27).

(b) If no qualified quote is received from a SDVOSB concern at a fair market price, small business concerns (FAR 52.219-6, Alternate I) or FPI (FAR 52.219-6, Alternate II).

(2) The FAR clauses contained in this procurement note (except paragraph (b) of 52.219-27) apply to the solicitation. Only the FAR clause matching the awardee's Small Business Program and Type representation applies to the award.

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**L18 Prescription:** 17.9304(b) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note L18 when surge requirements apply.

**L18 Surge and Sustainment (S&S) Requirements – Instructions to Offerors (FEB 2017)**

(1) Each offeror must describe in its proposal its ability to meet the S&S accelerated delivery specified for items critical to support the Department of Defense in conducting contingency operations. These S&S items are identified in Section C with quantities expressed as a Monthly Wartime Rate (MWR) or in a D1-D6 schedule. The S&S quantity and delivery requirements are in addition to peacetime quantities.



S&S requirements may be met through access to production capability as well as contractor-owned or contractor-managed inventory or safety stocks.

(2) Each offeror must include in its basic proposal a brief description of how it will ramp up to meet accelerated delivery and increased quantities (i.e., surge) and sustain an increased production and delivery pace throughout the contingency (i.e., sustainment). Additionally, each offeror must provide a separate capability assessment plan (CAP) to document its detailed technical approach for covering S&S requirements.

(3) If the CAP recommends some type of Government investment, offerors must include their plan for refreshing or replacing S&S material consumed to ensure a continued surge capability. The CAP must include an exit strategy that describes the transition and ramp-down of S&S assets and any remaining Government investment not consumed before contract expiration.

(4) Offerors must provide pricing within the electronic CAP submission for S&S requirements based on the schedule for delivering items in the offeror's CAP. When S&S pricing exceeds peacetime pricing, the offeror's proposal must include sufficient description to explain the rationale for the additional costs associated and provide a breakdown of costs to substantiate the pricing. This paragraph (4) does not apply to DLA Troop Support Subsistence.

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**L19 Prescription:** 17.9304(d) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note L19 when S&S requirements apply.

**L19 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) (MAY 2017)**

Offerors must complete the CAP electronically using the worldwide web industrial capabilities program (WICAP) website at <https://www.jccs.gov/wicap>.

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**L20 Prescription:** 17.9304(e) Solicitations issued by DLA Troop Support Medical must include procurement note L20 when S&S requirements apply.

**L20 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Medical (FEB 2017)**

Offerors must complete the CAP electronically using the industrial preparedness system (IPSYS) industrial capability survey tool through the DLA Troop Support DMM online Directorate of Medical Materiel, single sign-on application website at

<https://www.medical.dla.mil/registration/consent/default.aspx>.

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**L21 Prescription:** 17.9304(f) Solicitations issued by DLA Troop Support Subsistence must include procurement note L21 when S&S requirements apply.

**L21 Surge and Sustainment (S&S) – Capability Assessment Plan (CAP) – DLA Troop Support – Subsistence (FEB 2017)**

Offerors must submit the CAP for items identified with surge requirements in Section C of the solicitation.

The CAP must—

- (1) Outline the offeror's method of addressing the S&S requirements, whether defined as a percentage of annual demands or by individual line items. If the S&S quantity or delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed strategy to offset the shortfall.
- (2) Describe how the offeror will reduce peacetime production lead times by 50% to meet S&S requirements.
- (3) Provide letters of commitment or other agreements from suppliers and service providers (e.g., additional equipment or warehouse space) confirming they can meet S&S requirements.

- (4) Provide a plan to continue operations from an alternate facility in the event the primary facility is damaged or otherwise unable to operate at full capacity.
- (5) Identify competing priorities for the same resources, and ensure that meeting surge delivery requirements is independent of any other contracts or production requirements.
- (6) Identify the lead time for providing required S&S capability.
- (7) If applicable, include an exit strategy describing how to transition and ramp-down S&S assets and any Government investment.

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**L22 Prescription:** 9.306(S-91) Solicitations shall include procurement note L22 when the acquisition is restricted to material manufactured by the sources listed on the source control drawing, as indicated by AMSC B.

**L22 Restriction of Alternate Offers for Source Controlled Items (SEP 2017)**

(1) The manufacturers listed on the source control drawing applicable to the item in the procurement item description (PID) are the only approved sources. The item can be acquired from other suppliers, with adequate supply chain traceability documentation to demonstrate the item was produced by one of the approved manufacturers.

(2) DLA will not evaluate alternate offers for this item. Offerors who are interested in qualifying their product for purposes of future acquisitions must contact the design control activity specified on the source control drawing.

(3) Award of this solicitation will not be held pending qualification and approval of any product. If an offeror's product was recently approved but has not been added to the list of approved sources specified on the source control drawing, the offeror must submit a copy of the design control activity's letter of approval with its offer.

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**L23 Prescription:** 1.603-3-91(b) Include procurement note L23 in indefinite delivery contracts (IDCs) or blanket purchase agreements (BPAs) when the contracting officer has assigned an ordering officer.

**L23 Ordering Officers (FEB 2018)**

(1) The following Government employees have ordering officer authority for [contracting officer insert contract or ordering vehicle number]:

Name	Title	Contact Information
[contracting officer insert]	[contracting officer insert]	[contracting officer insert]

(2) Ordering officers must place orders within the express scope of this indefinite delivery contract or blanket purchase agreement.

(3) The contracting officer will notify you in writing when adding or terminating an ordering officer appointment prior to completion of this indefinite delivery contract or blanket purchase agreement.

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**L24 Prescription:** 16.290(e)(4) The contracting officer may use procurement note L24 in solicitations and contracts when items being acquired are commercial items for which manufacturers or suppliers have established, published prices meeting the definition of market price or catalog price.

**L24 Economic Price Adjustment (EPA) – Established Prices (AUG 2017)**

(a) The contractor warrants that the unit price stated in the Schedule for \_\_\_\_\_ [offeror insert Schedule line item number] is not in excess of the contractor's applicable established price in effect on the contract date for like quantities of the same item. The term "unit price" excludes any part of the price directly resulting from requirements for preservation, packaging, or packing beyond standard commercial practice. The term "established price" means a price that --

(1) Is an established catalog or market price for a commercial item sold in substantial quantities to the general public; and

(2) Is the net price after applying any standard trade discounts offered by the contractor.

(b) The contractor shall promptly notify the contracting officer of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. The decrease shall apply to those items delivered on and after the effective date of the decrease in the contractor's established price, and this contract shall be modified accordingly.

(c) If the contractor's applicable established price is increased after the contract date, the corresponding contract unit price shall be increased, upon the contractor's written request to the contracting officer, by the same percentage that the established price is increased, and the contract shall be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this clause shall not exceed \_\_\_\_ percent of the original contract unit price.

(2) The increased contract unit price shall be effective –

(i) On the effective date of the increase in the applicable established price if the contracting officer receives the contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the contracting officer receives the request.

(3) The increased contract unit price shall not apply to quantities scheduled under the contract for delivery before the effective date of the increased contract unit price, unless failure to deliver before that date results from causes beyond the control and without the fault or negligence of the contractor, within the meaning of the default clause.

(4) No modification increasing a contract unit price shall be executed under this paragraph (c) until the contracting officer verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the contractor's written request, the contracting officer may cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase, except as follows.

(i) The contractor may, after that time, deliver any items that were completed or in the process of manufacture at the time of receipt of the cancellation notice, provided the contractor certifies and notifies the contracting officer of such items within 10 days after the contractor receives the cancellation notice.

(ii) The Government shall pay for those items at the contract unit price increased to the extent provided by paragraph (d) of this clause.

(iii) Any standard steel supply item shall be deemed to be in the process of manufacture when the steel for that item is in the state of processing after the beginning of the furnace melt.

(d) During the time allowed for the cancellation provided for in subparagraph (c)(5) of this clause, and thereafter if there is no cancellation, the contractor shall continue deliveries according to the contract delivery schedule, and the Government shall pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

(e) The contractor shall certify on each invoice that each unit price stated therein reflects all decreases required by this clause and shall certify on the final invoice that all price decreases required by this clause have been applied in the manner required herein.

(f) Disputes. Any dispute arising under this clause shall be determined in accordance with the Disputes clause of the contract.

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**L25 Prescription:** 16.290(h) The contracting officer shall include procurement note L25 in solicitations when using negotiation procedures that include economic price adjustments.

**L25 Evaluation of Offers – Economic Price Adjustment (AUG 2017)**

(a) Offers in response to solicitations will be evaluated without adding any amount for economic price adjustment unless the economic price adjustment (EPA) clause included in the solicitation provides for offerors to specify the portion of the contract price subject to EPA. In this case, the offered price(s) subject to the EPA clause will be adjusted to the maximum possible extent under the EPA using the price

ceiling limitation provision of such clause for the basic contract plus all options covered by the evaluation. The resulting price(s) will be used for evaluation of offers.

(b) If a successful offeror stipulates a lower maximum increase limitation than that included in the solicitation, it will be incorporated into the resulting contract.

(c) Offers which (1) increase the maximum ceiling percentage specified in the solicitation, (2) stipulate a maximum decrease limit, or (3) delete or otherwise alter the economic price adjustment clause, will not be considered for award, unless the contracting officer determines that award on such basis is in the best interests of the Government and all offerors are afforded an opportunity to offer on the same basis.

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**L26 Prescription:** 16.504(a)(4)(viii) Use procurement note L26 in solicitations which will result in IDCs when it is anticipated that the contractor will offer a price break for high quantity delivery orders.

**L26 Evaluation of Quantity Sensitive and Indefinite Delivery Contracts (AUG 2017)**

(1) To be eligible for award for an item, the contractor shall offer prices for each quantity increment stated in the solicitation.

(2) The Government will—

(i) Evaluate prices on a weighted basis, as identified in the solicitation.

(ii) Assign the highest weights to incremental quantities, as identified in the solicitation, within which it anticipates orders are most likely to be issued.

(iii) Evaluate offers by multiplying the designated weight by the unit price for each order increment and adding the results.

(iv) Make only one award for each line item.

(v) Issue each delivery order at the price offered for that increment.

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**L27 Prescription:** 16.590(a) Contracting officers may use procurement note L27 in solicitations when a method is needed for making additions or deletions to items covered by the contract (e.g., corporate contracts, LTCs incorporating a manufacturer's price list, comprehensive weapon system spare parts support, a specific range of items).

**L27 Addition and Deletion of Items (AUG 2017)**

(1) The Government reserves the right to unilaterally delete items that were available from only one manufacturer at the time of award if an alternate source of supply becomes available or the Government's requirements are modified to provide for full and open competition. The Government will provide a 30-day advance notice to the contractor prior to deleting any item from the contract.

(2) The Government may add new items to the contract through bilateral modification with negotiated prices. All new requirements are subject to synopsis prior to addition to the contract.

(3) Discontinued items:

(a) The contractor agrees to provide the Government with immediate, written notification when the manufacturer will discontinue an item, including a recommendation for any potential substitute or replacement items. If the Government elects to include a substitute or replacement item in the contract, the contracting officer will modify the contract accordingly.

(b) If the manufacturer discontinues an item without replacement, the contractor shall include in the notice a recommendation concerning the availability of items that are comparable in form, fit, and function. The contractor shall not incur any costs related to alternate sources of supply without the express written approval of the contracting officer. The Government has the option to make a last time order, or series of orders, within 30 days after receiving written notification of the discontinued item, after which the item will be deleted from the contract. The contractor shall honor any last time order, unless it is returned to the ordering office within 10 days after issuance with written notice stating the full quantity is not available for shipment. The parties will negotiate the terms of such orders, including changes to the delivery schedule and maximum quantity available for shipment.

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**L29 Prescription:** 39.203(a)(S-90) Unless an exception applies (reference FAR 39.204), contracting officers shall insert procurement note L29 in solicitations when procuring EIT products and services.

**L29 Section 508 Requirements (AUG 2017)**

Offerors shall comply with the Section 508 accessibility requirements. By submission of its offer, the offeror affirms that its Electronic Information Technology (EIT) supplies and services are accessible as outlined in the law, the standard, and FAR Subpart 39.2. Offerors shall complete the Government Product Accessible Template (GPAT) document in the solicitation. If applicable, offerors shall indicate where their Section 508 EIT compliance information is available for review (e.g. offeror's website or other location the contracting officer can access). The contracting officer may require a demonstration of Section 508 compliance prior to award.

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**L30 Prescription:** 47.303-90 For wood products requiring export shipment, the contracting officer shall insert procurement note L30 in solicitations over the SAT that include FAR 52.247-51.

**L30 Computation of Cube – Wood Products (AUG 2017)**

For the purpose of applying the rates specified in paragraph (d) of Federal Acquisition Regulation (FAR) provision 52.247-51, use the following computations for the total cubic feet for each contract line-item number (CLIN):

(1) Softwood lumber: Compute the cube based on the minimum size specified by the issue of the American Softwood Lumber Standard PS20-70 in effect on the date of the solicitation for nominal size, degree of surfacing, and moisture content specified for each CLIN. When a CLIN specification permits any stage of seasoning and offers are submitted based on furnishing dry lumber for specified CLINs, base the cube of the CLIN on the minimum dry size for the stated nominal size and degree of surfacing.

(2) Hardwood lumber: Compute the cube based on the minimum size specified by the National Hardwood Lumber Association rules in effect on the date of the solicitation for the nominal size, degree of surfacing, and moisture content specified for each CLIN.

(3) Poles, piling and logs: Compute the cube in board foot measure using the Brereton scale and the minimum butt and tip circumferences and the length specified for each CLIN. Compute measurement tons using the conversion factor of 480 board foot measure equals one measurement ton or 40 cubic feet.

(4) Plywood: Compute the cube based on plywood being packaged as required by Product Standard PS-2 and PS-3.

(5) Other wood products: Compute the cube based on the dimensions specified for each CLIN.

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**L31 Prescription:** 11.9001 Contracting officers shall insert procurement note L31 in all solicitations and contracts for parts and supplies, except for DCSO, DLA Energy, DLA Troop Support – Subsistence, and DLA Troop Support – C&T.

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**L31 Additive Manufacturing (JUN 2018)**

(1) Additive manufacturing (AM) is a process of joining materials to make objects from three-dimensional (3D) model data, usually layer upon layer, as opposed to subtractive manufacturing methodologies, which remove material from areas where it is not desired, or other traditional manufacturing technologies, such as molding or stamping.

(2) Unless AM is specifically authorized in the solicitation/contract, quotes/offers may not include parts or supplies made using the additive manufacturing process. The Government will not evaluate offers that include an item or items produced using AM, and such offers are not eligible for award for the current procurement. A quoter/offeror proposing to supply an AM-produced item may submit a request to the contracting officer for approval of the item for evaluation by the Engineering Support Activity (ESA) for acceptability for future procurements of the same items.

(3) If an item produced using AM is presented to the Government for inspection and acceptance that was not authorized in the solicitation/contract, the Government may reject the item as nonconforming.

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**L32 Prescription:** 11.9201(c) Contracting officers shall include procurement note L32 in all solicitations for items that require FAA certification.

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**L32 Federal Aviation Administration (FAA) Certified Parts (DEC 2018)**

(1) This item must be produced by an FAA-approved manufacturer. Material shall be new, unused, and not previously owned by the Government. To be considered for award, the offeror shall submit with its offer sufficient documentation, referencing the solicitation number in the title, to demonstrate it has one or more of the following FAA approvals/designations:

(a) Manufacturers: Production Certificate Holder; Part Manufacturer Approval; Technical Standard Order Approval; and/or Direct Ship Authority.

(b) Dealers/distributors: FAA Advisory Circular (AC) 00-56B accreditation; or FAA AC 00-56A accreditation until their accreditation expires, is superseded upon renewal, or is cancelled or removed by the accreditation organization.

(2) Dealers/distributors asserting compliance with FAA AC 00-56A or FAA AC 00-56B must—

(a) Be listed on the Voluntary Industrial Distributor Accreditation Program Database at <http://www.aviationsuppliers.org/FAA-AC00-56>, which is maintained by the Aviation Suppliers Association (ASA) for the FAA; or

(b) Provide with their offer traceability and system quality documentation, referencing the solicitation number in the title, that demonstrates the following:

(i) Unbroken chain of traceability, by lot and batch number or by serial number, from the original FAA-approved manufacturer through all entities that either purchased, received, stored, and/or redistributed the item(s); and

(ii) Quality system, for distributors of civil aeronautical parts, accredited by one or more of the following organizations:

Quality System Standards Organization	Acceptable Quality System Standard (current revision required)	Title	Accreditation Organization
Aviation Suppliers Association (ASA)	ASA-100	Quality System Standard	List maintained, by ASA, at: <a href="http://www.aviationsuppliers.org">www.aviationsuppliers.org</a>
Transonic Aviation Consultants	TAC-2000	Aeronautical Parts Distributor Quality Assurance Standard	List maintained by Transonic Aviation Consultants <a href="http://www.transonicaviation.com">www.transonicaviation.com</a>
International Organization for Standardization (ISO)	ISO-9001	Quality Management Systems Requirements	Certification bodies accredited by International Accreditation Forum (IAF) accreditation body signatories ( <a href="http://www.iaf.nu">www.iaf.nu</a> )
International Aerospace Quality Group (IAQG)	AS9100, AS9110, and AS9120 (EN9100, EN9110, and EN9120)	Quality Management Systems	List of organizations (certification bodies) is maintained on IAQG Online Aerospace Supplier Information System (OASIS) database website ( <a href="http://www.sae.org/?PORTAL_CODE=IAQG">www.sae.org/?PORTAL_CODE=IAQG</a> )

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**M01 Prescription:** 9.202(a)(2)(ii) Solicitations shall include procurement note M01 when purchasing items in FSCs 5961 and 5962

**M01 Approved Suppliers for Federal Supply Class (FSC) 5961, Semiconductors and Hardware Devices, and FSC 5962, Electronic Microcircuits (SEP 2017)**

(1) This material contains a restriction of sourcing. The categories of sources of supply listed below, in order of precedence with Category One having the highest precedence, are eligible for award. Award, if made, will be within the highest category submitting an acceptable offer.

(i) Category One:

(a) The approved source (e.g., Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM)) for the item specified in the solicitation/contract;

(b) The approved source on the applicable Qualified Products List (QPL)/Qualified Manufacturers List (QML); or

(c) The authorized distributors of the OCM/OEM or QPL/QML.

(ii) Category Two: When no acceptable offer is received from suppliers listed in Category One, distributors listed on the Qualified Suppliers List of Distributors (QSLD), with adequate supply chain traceability documentation to the approved source of the item, are eligible to receive an award.

(iii) Category Three: When no acceptable offer is received from suppliers in Category One or Category Two, the Government may make an award based on offers received from suppliers listed on the Qualified Testing Suppliers List (QTSL), with adequate test documentation.

(2) The full listing of QSLD and QTSL suppliers, along with the qualification criteria, can be viewed electronically at:

[https://landandmaritimeapps.dla.mil/offices/sourcing\\_and\\_qualification/offices.aspx?Section=QSL](https://landandmaritimeapps.dla.mil/offices/sourcing_and_qualification/offices.aspx?Section=QSL).

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**M02 Prescription:** 9.202(a)(2)(iii) Solicitations shall include procurement note M02 when purchasing Land and Maritime QSLM Gun Parts qualification items.

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

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

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

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**M03 Prescription:** 9.202(a)(2)(iv) Solicitations shall include procurement note M03 when purchasing Troop Support QSLM/QSLD qualification items.

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

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

(2) The full listing of QSLM and QSLD suppliers, along with the qualification criteria, can be viewed electronically at:

<http://www.dla.mil/TroopSupport/IndustrialHardware/EngineeringandTechnicalservices/QualifiedSuppliersList.aspx>. \*\*\*\*\*

**M04 Prescription:** 9.306(i) Solicitations shall include procurement note M04 when the Government's laboratory cost will be a factor in evaluating offers. For automated acquisitions, this information is

populated in the solicitation. For manual acquisitions, the information shall be obtained from the Product Master (Classification section > Product Assurance tab).

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

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

Item	Government testing cost
	\$
	\$

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**M05 Prescription:** 11.390(b)(1) All offers for unused former Government surplus property will be evaluated and a \$200 evaluation factor shall be applied. Solicitations shall include procurement note M05 unless there is a documented restriction for unused former Government surplus property. The procurement note is automatically included in automated solicitations.

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

- (1) All offers for unused former Government surplus property shall have a \$200 evaluation factor.
- (2) All offers for CSI require evaluation by the ESA(s). An evaluation factor of \$600 shall be applied for coordination with each ESA.
- (3) If the contracting officer cannot determine acceptability and coordinates with the ESA(s) on other than CSI, an evaluation factor of \$600 shall be applied for each ESA.

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**M06 Prescription:** 11.391(b) Solicitations shall include procurement notes L04 and M06 when items are identified in the item description only by the name of an approved source (CAGE code), a part number, and a brief description.

**M06 Evaluation of Offers for Part Numbered Items (SEP 2016)**

Offers of alternate product will not be evaluated for the contract action if:

- (1) The solicitation is automated;
- (2) It does not meet the dollar threshold for savings, after an evaluation factor of \$600 is applied for coordination with each ESA; or
- (3) When the time proposed for award does not permit evaluation and delay of award would adversely affect the Government.

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**M07 Prescription:** 17.9304(g) Solicitations issued by DLA Aviation, DLA Land and Maritime, and DLA Troop Support Medical, Subsistence, Construction & Equipment (C&E), Clothing & Textile (C&T), and Industrial Hardware (IH) must include procurement note M07 when S&S requirements apply.

**M07 Surge and Sustainment (S&S) Evaluation (FEB 2017)**

- (1) Capability Assessment Plan (CAP) Evaluation: The CAP will be reviewed and assessed for responsiveness, completeness, and technical merit. The CAP must demonstrate (i) the offeror's ability to provide the full S&S quantity and meet the delivery requirements as specified in the solicitation; (ii) the technical merits of the proposed solutions to any identified shortfalls in S&S quantity and/or delivery requirements; and (iii) the ability to achieve the solutions without Government investment. If the CAP includes Government investment, the evaluation includes plans to refresh or replace S&S material and related exit strategy to ensure the Government's continued surge capability.
- (2) S&S Past Performance History: The quality and extent of the offeror's historical surge support performance will be considered as part of the overall past performance evaluation. In the absence of or in addition to historical S&S capability support, the contracting officer may consider other relevant performance history that demonstrates the offeror's ability to respond to and sustain higher than normal production rates or faster than normal delivery requirements, or both.



(3) The contracting officer will include the S&S price in the overall price evaluation.

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**M08 Prescription:** 39.203(a)(S-91) Contracting officers shall insert procurement note M08 in contracts when procuring EIT products and services.

**M08 Section 508 Requirements (AUG 2017)**

Contractors shall comply with the Section 508 Accessibility requirements in this contract and the Government Product Accessible Template (GPAT) document, as stated in their proposal, for the duration of contract performance.

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**M09 Prescription:** 16.290(i) Contracting officers may use procurement note M09 in contracts, including those subject to FAR Part 12, that meet the criteria in FAR 16.205 for fixed price prospective price redetermination and have been deemed unsuitable for economic price adjustment and have pricing based on the date supplies are ordered rather than on date of delivery.

**M09 Procurement Note Price Redetermination – Prospective (AUG 2017) (DEVIATION - PERMANENT)**

(a) The unit prices and the total price stated in this contract shall be periodically redetermined in accordance with this procurement note, except that --

(1) The prices for supplies ordered and services performed before the first effective date of price redetermination (see paragraph (c) of this clause) shall remain fixed; and

(2) In no event shall the total amount paid under this contract exceed any ceiling price included in the contract.

(b) Definition. “Costs,” as used in this clause, means allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(c) Price redetermination periods. For the purpose of price redetermination, performance of this contract is divided into successive periods. The first period shall extend from the date of the contract to \_\_\_\_\_, (see note (1)) and the second and each succeeding period shall extend for \_\_\_\_\_ [insert appropriate number] months from the end of the last preceding period, except that the parties may agree to vary the length of the final period. The first day of the second and each succeeding period shall be the effective date of price redetermination for that period.

(d) Data submission.

(1) Not more than \_\_\_\_\_ nor less than \_\_\_\_\_ (see note (2)) days before the end of each redetermination period, except the last, the contractor shall submit --

(i) Proposed prices for supplies that may be ordered or services that may be performed in the next succeeding period, and --

(A) An estimate and breakdown of the costs of these supplies or services in the format of Table 15-2, FAR 15.408, or in any other form on which the parties may agree;

(B) Sufficient data to support the accuracy and reliability of this estimate; and

(C) An explanation of the differences between this estimate and the original (or last preceding) estimate for the same supplies or services; and

(ii) A statement of all costs incurred in performing this contract through the end of the \_\_\_ month (see Note (3)) before the submission of proposed prices with sufficient supporting data to disclose unit costs and cost trends for --

(A) Supplies ordered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary).

(2) The contractor shall also submit, to the extent that it becomes available before negotiations on redetermined prices are concluded --

(i) Supplemental statements of costs incurred after the date stated in subdivision (d)(1)(ii) of this section for --

- (A) Supplies ordered and services performed; and
- (B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and
- (C) Any other relevant data that the contracting officer may reasonably require.

(3) If the contractor fails to submit the data required by subparagraphs (d)(1) and (2) of this section, within the time specified, the contracting officer may suspend payments under this contract until the data are furnished. If it is later determined that the Government has overpaid the contractor, the contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the data submittal period, the amount of the excess shall bear interest, computed from the date the data were due to the date of repayment, at the rate established in accordance with the interest clause.

(e) Price redetermination. Upon the contracting officer's receipt of the data required by paragraph (d) of this section, the contracting officer and the contractor shall promptly negotiate to redetermine fair and reasonable prices for supplies that may be ordered or services that may be performed in the period following the effective date of price redetermination.

(f) Contract modifications. Each negotiated redetermination of prices shall be evidenced by a bilateral modification to this contract, stating the redetermined prices that apply during the redetermination period.

(g) Adjusting billing prices. Pending execution of the contract modification (see paragraph (f) of this section), the contractor shall submit invoices or vouchers in accordance with the billing prices stated in this contract. If at any time it appears that the then-current billing prices will be substantially greater than the estimated final prices, or if the contractor submits data showing that the redetermined price will be substantially greater than the current billing prices, the parties shall negotiate an appropriate decrease or increase in billing prices. Any billing price adjustment shall be reflected in a contract modification and shall not affect the redetermination of prices under this clause. After the contract modification for price redetermination is executed, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed-upon prices, and any requested additional payments, refunds, or credits shall be made promptly.

(h) Quarterly limitation on payments statement. This paragraph (h) applies only during periods for which firm prices have not been established.

(1) Within 45 days after the end of the quarter of the contractor's fiscal year in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and for each quarter thereafter, the contractor shall submit to the contract administration office (with a copy to the contracting office and the cognizant contract auditor) a statement, cumulative from the beginning of the contract, showing --

(i) The total contract price of all supplies or services ordered and accepted by the Government and for which final prices have been established;

(ii) The total costs (estimated to the extent necessary) reasonably incurred for, and properly allocable solely to, the supplies or services ordered and accepted by the Government and for which final prices have not been established;

(iii) The portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (h)) that is in direct proportion to the supplies or services ordered and accepted by the Government and for which final prices have not been established; and

(iv) The total amount of all invoices or vouchers for supplies or services ordered and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(2) The statement required by subparagraph (h)(1) of this section need not be submitted for any quarter for which either no costs are to be reported under subdivision (h)(1)(ii) of this section, or revised billing prices have been established in accordance with paragraph (g) of this section, and do not exceed the existing contract price, the contractor's price-redetermination proposal, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount under subdivision (h)(1)(iv) of this section exceeds the sum due the contractor, as computed in accordance with subdivisions (h)(1)(i), (ii), and (iii) of this section, the contractor shall immediately refund or credit to the Government the amount of this excess. The contractor may, when appropriate, reduce this refund or credit by the amount of any applicable tax credits due the contractor and by the amount of previous refunds or credits affected under this procurement note. If any portion of the excess has been applied to the liquidation of progress payments, then that portion may, instead of being refunded, be added to the unliquidated progress payment account, consistent with the progress payments clause. The contractor shall provide complete details to support any claimed reductions in refunds.

(4) If the contractor fails to submit the quarterly statement within 45 days after the end of each quarter and it is later determined that the Government has overpaid the contractor, the contractor shall repay the excess to the Government immediately. Unless repaid within 30 days after the end of the statement submittal period, the amount of the excess shall bear interest, computed from the date the quarterly statement was due to the date of repayment, at the rate established in accordance with the Interest clause.

(i) Subcontracts. No subcontract placed under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

(j) Disagreements. If the contractor and the contracting officer fail to agree upon redetermined prices for any price redetermination period within 60 days (or within such other period as the parties agree) after the date on which the data required by paragraph (d) of this section are to be submitted, the contracting officer shall promptly issue a decision in accordance with the Disputes clause. For the purpose of paragraphs (f), (g), and (h) of this section, and pending final settlement of the disagreement on appeal, by failure to appeal, or by agreement, this decision shall be treated as an executed contract modification. Pending final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as provided in this procurement note.

(k) Termination. If this contract is terminated, prices shall continue to be established in accordance with this procurement note for:

(1) completed supplies and services accepted by the Government and;

(2) those supplies and services not terminated under a partial termination. All other elements of the termination shall be resolved in accordance with other applicable clauses or procurement notes of this contract.

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**M10 Prescription:** 11.9201(d) Contracting officers shall include procurement note M10 in all awards for consumable items that must be produced by an FAA-approved manufacturer.

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### **M10 Federal Aviation Administration (FAA) Certified Parts – Shipment Documentation Requirements (DEC 2018)**

(1) The contractor shall furnish acceptable documentation with each shipment demonstrating appropriate certification of the item. Acceptable documentation is one of the following:

(a) FAA Form 8130-3, Airworthiness Approval Tag;

(b) Certificate of Conformance with information equivalent to information on FAA Form 8130-3, and compliant with the Contract Deliverables Requirements List;

(c) European Aviation Safety Agency (EASA) Form 1, Authorized Release Certificate; or

(d) Transport Canada Civil Aviation (TCCA) Form One, Authorized Release Certificate Form One.

(2) The contractor shall provide with each shipment documentation that includes a statement confirming all items in the shipment are new, unused, and meet contract requirements.

(3) For each quantity unit pack (QUP) equal to each unit of issue, the contractor shall provide a copy of the documentation described in paragraph (1) of this procurement note M10. The contractor shall package the documentation with the material prior to shipment. If the material is manufactured in different lots, the contractor shall provide the documentation for each lot.

(4 The contractor shall indicate on the marking/labels that the appropriate documentation applies and is included inside the package. The contractor shall place marking/labels on the outside of the packaging.  
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