

<b>SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, &amp; 30</b>				1. REQUISITION NUMBER 1000040914		PAGE 1 OF 159	
2. CONTRACT NO. SPE300-17-D-4024		3. AWARD/EFFECTIVE DATE See Block 31c		4. ORDER NUMBER		5. SOLICITATION NUMBER SPE300-16-R-0001	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME				b. TELEPHONE NUMBER (No collect calls)	
						8. OFFER DUE DATE/LOCAL TIME 2016 FEB 19	
9. ISSUED BY  DLA TROOP SUPPORT DIRECTORATE OF SUBSISTENCE 700 ROBBINS AVENUE PHILADELPHIA PA 19111-5096 USA		CODE SPE300		10. THIS ACQUISITION IS  <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: _____ % FOR: <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM <input type="checkbox"/> EDWOSB NAICS: 311812 <input type="checkbox"/> 8 (A) SIZE STANDARD:			
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED  <input checked="" type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS  Net 10 days		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input type="checkbox"/>		13b. RATING	
						14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP	
15. DELIVER TO  SEE SCHEDULE		CODE		16. ADMINISTERED BY  SEE BLOCK 9 Criticality: PAS: None			
17a. CONTRACTOR/OFFEROR  USFI, INC. 110 W WALNUT ST # 221 GARDENA CA 90248-3100 USA  TELEPHONE NO. 3107681937		CODE 1JU48  FACILITY CODE		18a. PAYMENT WILL BE MADE BY  DEF FIN AND ACCOUNTING SVC BSM P O BOX 182317 COLUMBUS OH 43218-2317 USA			
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER <input type="checkbox"/>		18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED. <input type="checkbox"/> SEE ADDENDUM					
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY		22. UNIT	
		The contract shall be for a term of 60 months, with three separate pricing tiers. The first tier shall be for a 24-month period (inclusive of an up to 6-month ramp-up period followed by, at least, an 18-month performance period depending on the length of ramp-up). The second tier shall be an 18-month performance period immediately following the first tier. The third and final tier will be an additional 18-month performance period directly following the second tier. Tier 1 - May 5, 2017 - May 4, 2019 Tier 2 - May 5, 2019 - November 4, 2020 Tier 3 - November 5, 2020 - May 4, 2022 Guaranteed Minimum - \$15,050,000.00 Contract Maximum - \$301,000,000.00					
						23. UNIT PRICE	
						24. AMOUNT	
25. ACCOUNTING AND APPROPRIATION DATA						26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$150,500,000.00	
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.							
27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.							
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED <input checked="" type="checkbox"/>				29. AWARD OF CONTRACT: REF. <u>USFI, Inc.</u> OFFER <input checked="" type="checkbox"/>  DATED April 10, 2016 YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH, HEREIN IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)  			
30b. NAME AND TITLE OF SIGNER (Type or Print)  Steven Chai N.P.		30c. DATE SIGNED  5/5/2017		31b. NAME OF CONTRACTING OFFICER (Type or Print)  Christina M. Bennis		31c. DATE SIGNED  May 5, 2017	

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Subsistence Prime Vendor Korea – USFI, Inc.

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**Invited Contractor or Technical Representative Status Under U.S. Republic of Korea (ROK)**

Invited Contractor (IC) and Technical Representative (TR) status shall be governed by the U.S.- ROK Status of Forces Agreement (SOFA) as implemented by United States Forces Korea (USFK) Reg 700-19, which can be found under the “publications” tab on the US Forces Korea homepage <http://www.usfk.mil>

(a) Definitions. As used in this clause—

“U.S. – ROK Status of Forces Agreement” (SOFA) means the Mutual Defense Treaty between the Republic of Korea and the U.S. of America, Regarding Facilities and Areas and the Status of U.S. Armed Forces in the Republic of Korea, as amended

“Combatant Commander” means the commander of a unified or specified combatant command established in accordance with 10 U.S.C. 161. In Korea, the Combatant Commander is the Commander, United States Pacific Command.

“United States Forces Korea” (USFK) means the subordinate unified command through which US forces would be sent to the Combined Forces Command fighting components.

“Commander, United States Forces Korea” (COMUSK) means the commander of all U.S. forces present in Korea. In the Republic of Korea, COMUSK also serves as Commander, Combined Forces Command (CDR CFC) and Commander, United Nations Command (CDR UNC).

“USFK, Assistant Chief of Staff, Acquisition Management” (USFK/FKAQ) means the principal staff office to USFK for all acquisition matters and administrator of the U.S.-ROK SOFA as applied to US and Third Country contractors under the Invited Contractor (IC) and Technical Representative (TR) Program (USFK Reg 700-19).

“Responsible Officer (RO)” means a senior DOD employee (such as a military E5 and above or civilian GS-7 and above), appointed by the USFK Sponsoring Agency (SA), who is directly responsible for determining and administering appropriate logistics support for IC/TRs during contract performance in the ROK.

(b) IC or TR status under the SOFA is subject to the written approval of USFK, Assistant Chief of Staff, Acquisition Management (FKAQ), Unit #15237, APO AP 96205-5237.

(c) The Contracting Officer will coordinate with HQ USFK/FKAQ, IAW FAR 25.8, and USFK Reg 700-19. FKAQ will determine the appropriate contractor status under the SOFA and notify the Contracting Officer of that determination.

(d) Subject to the above determination, the contractor, including its employees and lawful dependents, may be accorded such privileges and exemptions under conditions and limitations as specified in the SOFA and USFK Reg 700-19. These privileges and exemptions may be furnished during the performance period of the contract, subject to their availability and continued SOFA status. Logistics support privileges are provided on an as-available basis to properly authorized individuals. Some logistics support may be issued as Government Furnished Property or transferred on a reimbursable basis.

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- (e) The contractor warrants and shall ensure that collectively, and individually, its officials and employees performing under this contract will not perform any contract, service, or other business activity in the ROK, except under U.S. Government contracts and that performance is IAW the SOFA.
- (f) The contractor's direct employment of any Korean-National labor for performance of this contract shall be governed by ROK labor law and USFK regulation(s) pertaining to the direct employment and personnel administration of Korean National personnel.
- (g) The authorities of the ROK have the right to exercise jurisdiction over invited contractors and technical representatives, including contractor officials, employees and their dependents, for offenses committed in the ROK and punishable by the laws of the ROK. In recognition of the role of such persons in the defense of the ROK, they will be subject to the provisions of Article XXII, SOFA, related Agreed Minutes and Understandings. In those cases in which the authorities of the ROK decide not to exercise jurisdiction, they shall notify the U.S. military authorities as soon as possible. Upon such notification, the military authorities will have the right to exercise jurisdiction as is conferred by the laws of the U.S.
- (h) Invited contractors and technical representatives agree to cooperate fully with the USFK Sponsoring Agency (SA) and Responsible Officer (RO) on all matters pertaining to logistics support and theater training requirements. Contractors will provide the assigned SA prompt and accurate reports of changes in employee status as required by USFK Reg 700-19.
- (i) Theater Specific Training. Training Requirements for IC/TR personnel shall be conducted in accordance with USFK Reg 350-2 Theater Specific Required Training for all Arriving Personnel and Units Assigned to, Rotating to, or in Temporary Duty Status to USFK. IC/TR personnel shall comply with requirements of USFK Reg 350-2.
- (j) Except for contractor air crews flying Air Mobility Command missions, all U.S. contractors performing work on USAF classified contracts will report to the nearest Security Forces Information Security Section for the geographical area where the contract is to be performed to receive information concerning local security requirements.
- (k) Invited Contractor and Technical Representative status may be withdrawn by USFK/FKAQ upon:
- (1) Completion or termination of the contract.
  - (2) Determination that the contractor or its employees are engaged in business activities in the ROK other than those pertaining to U.S. armed forces.
  - (3) Determination that the contractor or its employees are engaged in practices in contravention to Korean law or USFK regulations.
- (l) It is agreed that the withdrawal of invited contractor or technical representative status, or the withdrawal of, or failure to provide any of the privileges associated therewith by the U.S. and USFK, shall not constitute grounds for excusable delay by the contractor in the performance of the contract and will not justify or excuse the contractor defaulting in the performance of this contract. Furthermore, it is agreed that withdrawal of SOFA status for reasons outlined in USFK Reg 700-19, Section II, paragraph 6 shall not serve as a basis for the contractor filing any claims against the U.S. or USFK. Under no circumstance shall the withdrawal of SOFA Status or privileges be considered or construed as a breach of contract by the U.S. Government.

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(m) Support.

(1) Unless the terms and conditions of this contract place the responsibility with another party, the COMUSK will develop a security plan to provide protection, through military means, of Contractor personnel engaged in the theater of operations when sufficient or legitimate civilian authority does not exist.

(2)(i) All Contractor personnel engaged in the theater of operations are authorized resuscitative care, stabilization, hospitalization at level III military treatment facilities, and assistance with patient movement in emergencies where loss of life, limb, or eyesight could occur. Hospitalization will be limited to stabilization and short-term medical treatment with an emphasis on return to duty or placement in the patient movement system.

(ii) When the Government provides medical or emergency dental treatment or transportation of Contractor personnel to a selected civilian facility, the Contractor shall ensure that the Government is reimbursed for any costs associated with such treatment or transportation.

(iii) Medical or dental care beyond this standard is not authorized unless specified elsewhere in this contract.

(3) Unless specified elsewhere in this contract, the Contractor is responsible for all other support required for its personnel engaged in the theater of operations under this contract.

(n) Compliance with laws and regulations. The Contractor shall comply with, and shall ensure that its personnel supporting U.S Armed Forces in the Republic of Korea as specified in paragraph (b)(1) of this clause are familiar with and comply with, all applicable—

United States, host country, and third country national laws;  
Treaties and international agreements;

(3) United States regulations, directives, instructions, policies, and procedures; and

(4) Orders, directives, and instructions issued by the COMUSK relating to force protection, security, health, safety, or relations and interaction with local nationals. Included in this list are force protection advisories, health advisories, area (i.e. “off-limits”), prostitution and human trafficking and curfew restrictions.

(o) Vehicle or equipment licenses. IAW USFK Regulation 190-1, Contractor personnel shall possess the required licenses to operate all vehicles or equipment necessary to perform the contract in the theater of operations. All contractor employees/dependents must have either a Korean driver’s license or a valid international driver’s license to legally drive on Korean roads, and must have a USFK driver’s license to legally drive on USFK installations. Contractor employees/dependents will first obtain a Korean driver’s license or a valid international driver’s license then obtain a USFK driver’s license.

(p) Evacuation.

(1) If the COMUSK orders a non-mandatory or mandatory evacuation of some or all personnel, the Government will provide assistance, to the extent available, to United States and third country national contractor personnel.

(2) Non-combatant Evacuation Operations (NEO).

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- (i) The contractor shall designate a representative to provide contractor personnel and dependents information to the servicing NEO warden as required by direction of the Responsible Officer.
- (ii) If contract period of performance in the Republic of Korea is greater than six months, non emergency essential contractor personnel and all IC/TR dependents shall participate in at least one USFK sponsored NEO exercise per year.

(q) Next of kin notification and personnel recovery.

- (1) The Contractor shall be responsible for notification of the employee-designated next of kin in the event an employee dies, requires evacuation due to an injury, or is missing, captured, or abducted.
- (2) In the case of missing, captured, or abducted contractor personnel, the Government will assist in personnel recovery actions in accordance with DOD Directive 2310.2, Personnel Recovery.
- (3) IC/TR personnel shall accomplish Personnel Recovery/Survival, Evasion, Resistance and Escape (PR/SERE) training in accordance with USFK Reg 525-40, Personnel Recovery Procedures and USFK Reg 350-2 Theater Specific Required Training for all Arriving Personnel and Units Assigned to, Rotating to, or in Temporary Duty Status to USFK.

(r) Mortuary affairs. Mortuary affairs for contractor personnel who die while providing support in the theater of operations to U.S. Armed Forces will be handled in accordance with DOD Directive 1300.22, Mortuary Affairs Policy and Army Regulation 638-2, Care and Disposition of Remains and Disposition of Personal Effects.

(s) USFK Responsible Officer (RO). The USFK appointed RO will ensure all IC/TR personnel complete all applicable training as outlined in this clause.

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**CONTINUANCE OF PERFORMANCE DURING ANY STATE OF EMERGENCY  
IN THE REPUBLIC OF KOREA (ROK)**

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(a) Definitions. As used in this clause—

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“Combatant Commander” means the commander of a unified or specified combatant command established in accordance with 10 U.S.C. 161. In Korea, the Combatant Commander is the Commander, United States Pacific Command.

“United States Forces Korea” (USFK) means the subordinate unified command through which US forces would be sent to the Combined Forces Command fighting components.

COMUSK means the commander of all U.S. forces present in Korea. In the Republic of Korea, COMUSK also serves as Commander, Combined Forces Command (CDR CFC) and Commander, United Nations Command (CDR UNC).

“USFK, Assistant Chief of Staff, Acquisition Management” (USFK/FKAQ) means the principal staff office to USFK for all acquisition matters and administrator of the U.S.-ROK SOFA as applied to US and Third Country contractors under the Invited Contractor (IC) and Technical Representative (TR) Program (USFK Reg 700-19).

“Responsible Officer” (RO) means A senior DOD employee (such as a military E5 and above or civilian GS-7 and above), appointed by the USFK Sponsoring Agency (SA), who is directly responsible for determining and administering appropriate logistics support for IC/TRs during contract performance in the ROK.

“Theater of operations” means an area defined by the combatant commander for the conduct or support of specified operations.

“Uniform Code of Military Justice” means 10 U.S.C. Chapter 47 (b) General.

(1) This clause applies when contractor personnel deploy with or otherwise provide support in the theater of operations (specifically, the Korean Theater of Operations) to U.S. military forces deployed/located outside the United States in—

(i) Contingency operations;

(ii) Humanitarian or peacekeeping operations; or

(iii) Other military operations or exercises designated by the Combatant Commander.

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(2) Contract performance in support of U.S. military forces may require work in dangerous or austere conditions. The Contractor accepts the risks associated with required contract performance in such operations.

☐ The contractor will require all its employees to acknowledge in writing that they understand the danger, stress, physical hardships and field living conditions that are possible if the employee deploys in support of military operations.

(3) Contractor personnel are not combatants and shall not undertake any role that would jeopardize their status. Contractor personnel shall not use force or otherwise directly participate in acts likely to cause actual harm to enemy armed forces.

(c) Support.

(1) Unless the terms and conditions of this contract place the responsibility with another party, the COMUSK will develop a security plan to provide protection, through military means, of Contractor personnel engaged in the theater of operations when sufficient or legitimate civilian authority does not exist.

(2)(i) All Contractor personnel engaged in the theater of operations are authorized resuscitative care, stabilization, hospitalization at level III military treatment facilities, and assistance with patient movement in emergencies where loss of life, limb, or eyesight could occur. Hospitalization will be limited to stabilization and short-term medical treatment with an emphasis on return to duty or placement in the patient movement system.

(ii) When the Government provides medical treatment or transportation of Contractor personnel to a selected civilian facility, the Contractor shall ensure that the Government is reimbursed for any costs associated with such treatment or transportation.

(iii) Medical or dental care beyond this standard is not authorized unless specified elsewhere in this contract.

(3) Unless specified elsewhere in this contract, the Contractor is responsible for all other support required for its personnel engaged in the theater of operations under this contract.

(d) Compliance with laws and regulations. The Contractor shall comply with, and shall ensure that its personnel supporting U.S Armed Forces in the Republic of Korea as specified in paragraph (b)(1) of this clause are familiar with and comply with, all applicable—

(1) United States, host country, and third country national laws;

(i) The Military Extraterritorial Jurisdiction Act may apply to contractor personnel if contractor personnel commit crimes outside the United States.

(ii) Under the War Crimes Act, United States citizens (including contractor personnel) who commit war crimes may be subject to federal criminal jurisdiction.

(iii) When Congress formally declares war, contractor personnel authorized to accompany the force may be subject to the Uniform Code of Military Justice.

(2) Treaties and international agreements;



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(3) United States regulations, directives, instructions, policies, and procedures; and

(4) Orders, directives, and instructions issued by the COMUSK relating to force protection, security, health, safety, or relations and interaction with local nationals. Included in this list are force protection advisories, health advisories, area (i.e. “off-limits”), prostitution and human trafficking and curfew restrictions.

(e) Pre-deployment/departure requirements. The Contractor shall ensure that the following requirements are met prior to deploying/locating personnel in support of U.S. military forces in the Republic of Korea. Specific requirements for each category may be specified in the statement of work or elsewhere in the contract.

(1) All required security and background checks are complete and acceptable.

(2) All contractor personnel meet the minimum medical screening requirements and have received all required immunizations as specified in the contract. In the Republic of Korea, all contractor employees subject to this clause shall comply with the same DoD immunization requirements applicable to Emergency Essential DoD civilians—INCLUDING ANTHRAX IMMUNIZATION. The Government will provide, at no cost to the Contractor, any Korean theater-specific immunizations and/or medications not available to the general public.

(3) Contractor personnel have all necessary passports, visas, and other documents required to enter and exit a theater of operations and have a Geneva Conventions identification card from the deployment center or CONUS personnel office—if, applicable.

(4) Country and theater clearance is obtained for contractor personnel. Clearance requirements are in DOD Directive 4500.54, Official Temporary Duty Abroad, DOD 4500.54-G, DOD Foreign Clearance Guide, and USFK Reg 1-40, United States Forces Korea Travel Clearance Guide. Contractor personnel are considered non-DOD personnel traveling under DOD sponsorship.

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(f) Processing and departure points. Deployed contractor personnel shall—

- (1) Under contingency conditions or under other conditions as specified by the Contracting Officer, process through the deployment center designated in the contract, prior to deploying. The deployment center will conduct deployment processing to ensure visibility and accountability of contractor personnel and to ensure that all deployment requirements are met;
- (2) Use the point of departure and transportation mode directed by the Contracting Officer; and
- (3) If processing through a deployment center, process through a Joint Reception Center (JRC) upon arrival at the deployed location. The JRC will validate personnel accountability, ensure that specific theater of operations entrance requirements are met, and brief contractor personnel on theater-specific policies and procedures.

(g) Personnel data list.

- (1) The Contractor shall establish and maintain with the designated Government official a current list of all contractor personnel that deploy with or otherwise provide support in the theater of operations to U.S. military forces as specified in paragraph (b)(1) of this clause. The Synchronized Predeployment and Operational Tracker (SPOT) is the designated automated system to use for this effort. This accountability requirement is separate and distinct from the personnel accountability requirement listed in the U.S.–ROK SOFA's Invited Contractor/Technical Representative Program (as promulgated in USFK Regulation 700-19).
- (2) The Contractor shall ensure that all employees on the list have a current DD Form 93, Record of Emergency Data Card, on file with both the Contractor and the designated Government official.

(h) Contractor personnel.

- (1) The Contracting Officer may direct the Contractor, at its own expense, to remove and replace any contractor personnel who jeopardize or interfere with mission accomplishment or who fail to comply with or violate applicable requirements of this clause. Contractors shall replace designated personnel within 72 hours, or at the Contracting Officer's direction. Such action may be taken at the Government's discretion without prejudice to its rights under any other provision of this contract, including the Termination for Default clause.
- (2) The Contractor shall have a plan on file showing how the Contractor would replace employees who are unavailable for deployment or who need to be replaced during deployment. The Contractor shall keep this plan current and shall provide a copy to the Contracting Officer and USFK Sponsoring Agency (see USFK Reg 700-19) upon request. The plan shall—
  - (i) Identify all personnel who are subject to U.S. or Republic of Korea military mobilization;
  - (ii) Identify any exemptions thereto;
  - (iii) Detail how the position would be filled if the individual were mobilized; and
  - (iv) Identify all personnel who occupy a position that the Contracting Officer has designated as mission essential.
- (i) Military clothing and protective equipment.
- (1) Contractor personnel supporting a force deployed outside the United States as specified in paragraph (b)(1) of this clause are prohibited from wearing military clothing unless specifically authorized in writing by the

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COMUSK. If authorized to wear military clothing, contractor personnel must wear distinctive patches, arm bands, nametags, or headgear, in order to be

(2) distinguishable from military personnel, consistent with force protection measures and the Geneva Conventions.

(2) Contractor personnel may wear military-unique organizational clothing and individual equipment (OCIE) required for safety and security, such as ballistic, nuclear, biological, or chemical protective clothing.

(3) The deployment center, the Combatant Commander, or the Sponsoring Agency shall issue OCIE and shall provide training, if necessary, to ensure the safety and security of contractor personnel.

(4) The Contractor shall ensure that all issued OCIE is returned to the point of issue, unless otherwise directed by the Contracting Officer.

(j) Weapons.

(1) If the Contractor requests that its personnel performing in the theater of operations be authorized to carry weapons, the request shall be made through the Contracting Officer to the COMUSK. The COMUSK will determine whether to authorize in-theater contractor personnel to carry weapons and what weapons will be allowed.

(2) The Contractor shall ensure that its personnel who are authorized to carry weapons—

(i) Are adequately trained;

(ii) Are not barred from possession of a firearm by 18 U.S.C. 922; and

(iii) Adhere to all guidance and orders issued by the COMUSK regarding possession, use, safety, and accountability of weapons and ammunition.

(iv) The use of deadly force by persons subject to this clause shall be made only in self-defense, except:

(v) Persons subject to this clause who primarily provide private security are authorized to use deadly force only as defined in the terms and conditions of this contract in accordance with USFK regulations and policies (especially, USFK Regulation 190-50).

(vi) Liability for the use of any weapon by persons subject to this clause is solely the responsibility of the individual person and the contractor.

(3) Upon redeployment or revocation by the COMUSK of the Contractor's authorization to issue firearms, the Contractor shall ensure that all Government-issued weapons and unexpended ammunition are returned as directed by the Contracting Officer.

(k) Evacuation.

(1) In the event of a non-mandatory evacuation order, unless authorized in writing by the Contracting Officer, the Contractor shall maintain personnel on location sufficient to meet obligations under this contract.

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(l) Theater Specific Training. Training Requirements for IC/TR personnel shall be conducted in accordance with USFK Reg 350-2 Theater Specific Required Training for all Arriving Personnel and Units Assigned to, Rotating to, or in Temporary Duty Status to USFK.

(m) USFK Responsible Officer (RO). The USFK appointed RO will ensure all IC/TR personnel complete all applicable training as outlined in this clause.

(n) Changes. In addition to the changes otherwise authorized by the Changes clause of this contract, the Contracting Officer may, at any time, by written order identified as a change order, make changes in Government-furnished facilities, equipment, material, services, or site. Any change order issued in accordance with this paragraph shall be subject to the provisions of the Changes clause of this contract.

(o) Subcontracts. The Contractor shall incorporate the substance of this clause, including this paragraph, in all subcontracts that require subcontractor personnel to be available to deploy with or otherwise provide support in the theater of operations to U.S. military forces deployed/stationed outside the United States in—

(1) Contingency operations;

(2) Humanitarian or peacekeeping operations; or

(3) Other military operations or exercises designated by the Combatant Commander.

(p) The Contracting Officer will discern any additional GFE, GFP or logistical support necessary to facilitate the performance of the enhanced requirement or necessary for the protection of contractor personnel. These items will be furnished to the Contractor at the sole discretion of the Contracting Officer and may be provided only on a reimbursable basis.

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Full Text Contract Clauses

**252.204-7008 COMPLIANCE WITH SAFEGUARDING COVERED DEFENSE INFORMATION CONTROLS (OCT 2016)**

(a) *Definitions.* As used in this provision—

“Controlled technical information,” “covered contractor information system,” “covered defense information,” “cyber incident,” “information system,” and “technical information” are defined in clause 252.204-7012, Safeguarding Covered Defense

Information and Cyber Incident Reporting.

(b) The security requirements required by contract clause 252.204-7012, shall be implemented for all covered defense information on all covered contractor information systems that support the performance of this contract.

(c) For covered contractor information systems that are not part of an information technology service or system operated on behalf of the Government (see 252.204-7012(b)(2)—

(1) By submission of this offer, the Offeror represents that it will implement the security requirements specified by National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171 “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations” (see <http://dx.doi.org/10.6028/NIST.SP.800-171>) that are in effect at the time the solicitation is issued or as authorized by the contracting officer not later than December 31, 2017.

(2)(i) If the Offeror proposes to vary from any of the security requirements specified by NIST SP 800-171 that are in effect at the time the solicitation is issued or as authorized by the Contracting Officer, the Offeror shall submit to the Contracting

Officer, for consideration by the DoD Chief Information Officer (CIO), a written explanation of—

(A) Why a particular security requirement is not applicable; or

(B) How an alternative but equally effective, security measure is used to compensate for the inability to satisfy a particular requirement and achieve equivalent protection.

(ii) An authorized representative of the DoD CIO will adjudicate offeror requests to vary from NIST SP 800-171 requirements in writing prior to contract award. Any accepted variance from NIST SP 800-171 shall be incorporated into the resulting contract.

(End of provision)

**52.212-04 CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS (JAN 2017) FAR**

(a) *Inspection/Acceptance.* The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. If repair/replacement or reperformance will not correct the defects or is not possible, the government may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. The Government must exercise its post-acceptance rights --

(1) Within a reasonable time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) *Assignment.* The Contractor or its assignee may assign its rights to receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C.3727). However, when a third party makes payment (e.g., use of the Governmentwide commercial purchase card), the Contractor may not assign its rights to receive payment under this contract.

(c) *Changes.* Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) *Disputes.* This contract is subject to 41 U.S.C. chapter 71, Contract Disputes. Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) *Definitions.* The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) *Excusable delays.* The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) *Invoice.*

(1) The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized) to the address designated in the contract to receive invoices. An invoice must include --

(i) Name and address of the Contractor;

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- (ii) Invoice date and number;
- (iii) Contract number, line item number and, if applicable, the order number;
- (iv) Description, quantity, unit of measure, unit price and extended price of the items delivered;
- (v) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading;
- (vi) Terms of any discount for prompt payment offered;
- (vii) Name and address of official to whom payment is to be sent;
- (viii) Name, title, and phone number of person to notify in event of defective invoice; and
- (ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.
- (x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (*e.g.*, 52.232-33, Payment by Electronic Funds Transfer—System for Award Management, or 52.232-34, Payment by Electronic Funds Transfer—Other Than System for Award Management), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5 CFR part 1315.

(h) *Patent indemnity*. The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) Payment.

(1) Items accepted. Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract.

(2) Prompt Payment. The Government will make payment in accordance with the Prompt Payment Act (31

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U.S.C. 3903) and prompt payment regulations at 5 CFR Part 1315.

(3) **Electronic Funds Transfer (EFT).** If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) **Discount.** In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(5) **Overpayments.** If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall—

(i) Remit the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—

(A) Circumstances of the overpayment (*e.g.*, duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);

(B) Affected contract number and delivery order number, if applicable;

(C) Affected line item or subline item, if applicable; and

(D) Contractor point of contact.

(ii) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

(6) **Interest.**

(i) All amounts that become payable by the Contractor to the Government under this contract shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in 41 U.S.C. 7109, which is applicable to the period in which the amount becomes due, as provided in (i)(6)(v) of this clause, and then at the rate applicable for each six-month period at fixed by the Secretary until the amount is paid.

(ii) The Government may issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(iii) **Final decisions.** The Contracting Officer will issue a final decision as required by 33.211 if—

(A) The Contracting Officer and the Contractor are unable to reach agreement on the existence or amount of a debt within 30 days;

(B) The Contractor fails to liquidate a debt previously demanded by the Contracting Officer within the timeline specified in the demand for payment unless the amounts were not repaid



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because the Contractor has requested an installment payment agreement; or

(C) The Contractor requests a deferment of collection on a debt previously demanded by the Contracting Officer (see 32.607-2).

(iv) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision shall identify the same due date as the original demand for payment.

(v) Amounts shall be due at the earliest of the following dates:

(A) The date fixed under this contract.

(B) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(vi) The interest charge shall be computed for the actual number of calendar days involved beginning on the due date and ending on—

(A) The date on which the designated office receives payment from the Contractor;

(B) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(C) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(vii) The interest charge made under this clause may be reduced under the procedures prescribed in 32.608-2 of the Federal Acquisition Regulation in effect on the date of this contract.

(j) *Risk of loss.* Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) *Taxes.* The contract price includes all applicable Federal, State, and local taxes and duties.

(l) *Termination for the Government's convenience.* The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor

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shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

(m) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(n) *Title.* Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(o) *Warranty.* The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(p) *Limitation of liability.* Except as otherwise provided by an express warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) *Other compliances.* The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(r) *Compliance with laws unique to Government contracts.* The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. chapter 37, Contract Work Hours and Safety Standards; 41 U.S.C. chapter 87, Kickbacks; 41 U.S.C. 4712 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. chapter 21 relating to procurement integrity.

(s) *Order of precedence.* Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

- (1) The schedule of supplies/services.
- (2) The Assignments, Disputes, Payments, Invoice, Other Compliances, Compliance with Laws Unique to Government Contracts, and Unauthorized Obligations paragraphs of this clause.
- (3) The clause at 52.212-5.
- (4) Addenda to this solicitation or contract, including any license agreements for computer software.
- (5) Solicitation provisions if this is a solicitation.
- (6) Other paragraphs of this clause.
- (7) The Standard Form 1449.
- (8) Other documents, exhibits, and attachments.

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(9) The specification.

(t) System for Award Management (SAM).

(1) Unless exempted by an addendum to this contract, the Contractor is responsible during performance and through final payment of any contract for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(2)

(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to:

(A) Change the name in the SAM database;

(B) Comply with the requirements of Subpart 42.12 of the FAR;

(C) Agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (t)(2)(i) of this clause, or fails to perform the agreement at paragraph (t)(2)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the SAM information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(3) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the SAM record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the SAM database. Information provided to the Contractor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via SAM accessed through <https://www.acquisition.gov>

(u) Unauthorized Obligations.

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(1) Except as stated in paragraph (u)(2) of this clause, when any supply or service acquired under this contract is subject to any End Use License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(i) Any such clause is unenforceable against the Government.

(ii) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an “I agree” click box or other comparable mechanism (e.g., “click-wrap” or “browse-wrap” agreements), execution does not bind the Government or any Government authorized end user to such clause.

(iii) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(2) Paragraph (u)(1) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(v) *Incorporation by reference.* The Contractor’s representations and certifications, including those completed electronically via the System for Award Management (SAM), are incorporated by reference into the contract.

(End of Clause)

**52.212-05 Contract Terms and Conditions Required to Implement Statutes or Executive Orders -- Commercial Items (Feb 2016)**

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (Nov 2015)

(2) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Public Laws 108-77, 108-78 (19 U.S.C. 3805 note)).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the contracting officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

*[Contracting Officer check as appropriate.]*

  X   (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 4704 and 10 U.S.C. 2402).

  X   (2) 52.203-13, Contractor Code of Business Ethics and Conduct (Oct 2015) (41 U.S.C. 3509).

       (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (Jun 2010) (Section 1553 of Pub L. 111-5) (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009).

  X   (4) 52.204-10, Reporting Executive compensation and First-Tier Subcontract Awards (Oct 2015) (Pub. L. 109-282) (31 U.S.C. 6101 note).

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- \_\_\_ (5) [Reserved]
- \_\_\_ (6) 52.204-14, Service Contract Reporting Requirements (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).
- \_\_\_ (7) 52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).
- X (8) 52.209-6, Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015) (31 U.S.C. 6101 note).
- X (9) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (Jul 2013) (41 U.S.C. 2313).
- \_\_\_ (10) [Reserved]
- \_\_\_ (11) (i) 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award (Nov 2011) (15 U.S.C. 657a).
- \_\_\_ (ii) Alternate I (Nov 2011) of 52.219-3.
- X (12) (i) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Oct 2014) (if the offeror elects to waive the preference, it shall so indicate in its offer)(15 U.S.C. 657a).
- \_\_\_ (ii) Alternate I (Jan 2011) of 52.219-4.
- \_\_\_ (13) [Reserved]
- \_\_\_ (14) (i) 52.219-6, Notice of Total Small Business Aside (Nov 2011) (15 U.S.C. 644).
- \_\_\_ (ii) Alternate I (Nov 2011).
- \_\_\_ (iii) Alternate II (Nov 2011).
- \_\_\_ (15) (i) 52.219-7, Notice of Partial Small Business Set-Aside (June 2003) (15 U.S.C. 644).
- \_\_\_ (ii) Alternate I (Oct 1995) of 52.219-7.
- \_\_\_ (iii) Alternate II (Mar 2004) of 52.219-7.
- X (16) 52.219-8, Utilization of Small Business Concerns (Oct 2014) (15 U.S.C. 637(d)(2) and (3)).
- X (17) (i) 52.219-9, Small Business Subcontracting Plan (Oct 2015) (15 U.S.C. 637 (d)(4)).
- \_\_\_ (ii) Alternate I (Oct 2001) of 52.219-9.
- \_\_\_ (iii) Alternate II (Oct 2001) of 52.219-9.
- X (iv) Alternate III (Oct 2015) of 52.219-9.
- \_\_\_ (18) 52.219-13, Notice of Set-Aside of Orders (Nov 2011) (15 U.S.C. 644(r)).
- \_\_\_ (19) 52.219-14, Limitations on Subcontracting (Nov 2011) (15 U.S.C. 637(a)(14)).
- X (20) 52.219-16, Liquidated Damages—Subcontracting Plan (Jan 1999) (15 U.S.C. 637(d)(4)(F)(i)).
- \_\_\_ (21) 52.219-27, Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov 2011) (15 U.S.C. 657f).
- X (22) 52.219-28, Post Award Small Business Program Rerepresentation (Jul 2013) (15 U.S.C. 632(a)(2)).
- \_\_\_ (23) 52.219-29, Notice of Set-Aside for, or Sole Source Award to, Economically Disadvantaged Women-Owned Small Business Concerns (Dec 2015) (15 U.S.C. 637(m)).
- \_\_\_ (24) 52.219-30, Notice of Set-Aside for, or Sole Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Dec 2015) (15 U.S.C. 637(m)).
- \_\_\_ (25) 52.222-3, Convict Labor (June 2003) (E.O. 11755).
- X (26) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Feb 2016) (E.O. 13126).
- \_\_\_ (27) 52.222-21, Prohibition of Segregated Facilities (Apr 2015).
- X (28) 52.222-26, Equal Opportunity (Apr 2015) (E.O. 11246).
- \_\_\_ (29) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212).
- \_\_\_ (30) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
- \_\_\_ (31) 52.222-37, Employment Reports on Veterans (Oct 2015) (38 U.S.C. 4212).
- \_\_\_ (32) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).
- X (33) (i) 52.222-50, Combating Trafficking in Persons (Mar 2015) (22 U.S.C. chapter 78 and E.O. 13627).
- \_\_\_ (ii) Alternate I (Mar 2015) of 52.222-50, (22 U.S.C. chapter 78 and E.O. 13627).

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- \_\_\_ (34) 52.222-54, Employment Eligibility Verification (Oct 2015). (E. O. 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)
- \_\_\_ (35) (i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (May 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- \_\_\_ (ii) Alternate I (May 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- \_\_\_ (36) (i) 52.223-13, Acquisition of EPEAT® -Registered Imaging Equipment (Jun 2014) (E.O.s 13423 and 13514)
- \_\_\_ (ii) Alternate I (Oct 2015) of 52.223-13.
- \_\_\_ (37) (i) 52.223-14, Acquisition of EPEAT® -Registered Television (Jun 2014) (E.O.s 13423 and 13514).
- \_\_\_ (ii) Alternate I (Jun 2014) of 52.223-14.
- \_\_\_ (38) 52.223-15, Energy Efficiency in Energy-Consuming Products (Dec 2007) (42 U.S.C. 8259b).
- \_\_\_ (39) (i) 52.223-16, Acquisition of EPEAT® -Registered Personal Computer Products (Oct 2015) (E.O.s 13423 and 13514).
- \_\_\_ (ii) Alternate I (Jun 2014) of 52.223-16.
- X (40) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging while Driving (Aug 2011) (E.O. 13513).
- \_\_\_ (41) 52.225-1, Buy American--Supplies (May 2014) (41 U.S.C. chapter 83).
- \_\_\_ (42) (i) 52.225-3, Buy American--Free Trade Agreements--Israeli Trade Act (May 2014) (41 U.S.C. chapter 83, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, 19 U.S.C. 4001 note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, 112-42, and 112-43).
- \_\_\_ (ii) Alternate I (May 2014) of 52.225-3.
- \_\_\_ (iii) Alternate II (May 2014) of 52.225-3.
- \_\_\_ (iv) Alternate III (May 2014) of 52.225-3.
- \_\_\_ (43) 52.225-5, Trade Agreements (Feb 2016) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).
- X (44) 52.225-13, Restrictions on Certain Foreign Purchases (Jun 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- \_\_\_ (45) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
- \_\_\_ (46) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (Nov 2007) (42 U.S.C. 5150).
- \_\_\_ (47) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) (42 U.S.C. 5150).
- \_\_\_ (48) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 4505), 10 U.S.C. 2307(f)).
- \_\_\_ (49) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 4505, 10 U.S.C. 2307(f)).
- X (50) 52.232-33, Payment by Electronic Funds Transfer— System for Award Management (Jul 2013) (31 U.S.C. 3332).
- \_\_\_ (51) 52.232-34, Payment by Electronic Funds Transfer—Other Than System for Award Management (Jul 2013) (31 U.S.C. 3332).
- \_\_\_ (52) 52.232-36, Payment by Third Party (May 2014) (31 U.S.C. 3332).
- \_\_\_ (53) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).
- \_\_\_ (54) (i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631).
- \_\_\_ (ii) Alternate I (Apr 2003) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of

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law or executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

\_\_\_ (1) 52.222-17, Nondisplacement of Qualified Workers (May 2014) (E.O. 13495)

\_\_\_ (2) 52.222-41, Service Contract Labor Standards (May 2014) (41 U.S.C. chapter 67.).

\_\_\_ (3) 52.222-42, Statement of Equivalent Rates for Federal Hires (May 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).

\_\_\_ (4) 52.222-43, Fair Labor Standards Act and Service Contract Labor Standards -- Price Adjustment (Multiple Year and Option Contracts) (May 2014) (29 U.S.C.206 and 41 U.S.C. chapter 67).

\_\_\_ (5) 52.222-44, Fair Labor Standards Act and Service Contract Labor Standards -- Price Adjustment (May 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).

\_\_\_ (6) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (May 2014) (41 U.S.C. chapter 67).

\_\_\_ (7) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements (May 2014) (41 U.S.C. chapter 67).

\_\_\_ (8) 52.222-55, Minimum Wages Under Executive Order 13658 (Dec 2015) (E.O. 13658).

\_\_\_ (9) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (May 2014) (42 U.S.C. 1792).

\_\_\_ (10) 52.237-11, Accepting and Dispensing of \$1 Coin (Sep 2008) (31 U.S.C. 5112(p)(1)).

(d) *Comptroller General Examination of Record* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records -- Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)

(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (Oct 2015) (41 U.S.C. 3509).

(ii) 52.219-8, Utilization of Small Business Concerns (Oct 2014) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$700,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) 52.222-17, Nondisplacement of Qualified Workers (May 2014) (E.O. 13495). Flow down required in accordance with paragraph (1) of FAR clause 52.222-17.

(iv) 52.222-21, Prohibition of Segregated Facilities (Apr 2015).

(v) 52.222-26, Equal Opportunity (Apr 2015) (E.O. 11246).

(vi) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212).

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- (vii) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
  - (viii) 52.222-37, Employment Reports on Veterans (Oct 2015) (38 U.S.C. 4212).
  - (ix) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.
  - (x) 52.222-41, Service Contract Labor Standards (May 2014), (41 U.S.C. chapter 67).
  - (xi) \_\_\_\_ (A) 52.222-50, Combating Trafficking in Persons (Mar 2015) (22 U.S.C. chapter 78 and E.O. 13627).  
\_\_\_\_ (B) Alternate I (Mar 2015) of 52.222-50 (22 U.S.C. chapter 78 E.O. 13627).
  - (xii) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (May 2014) (41 U.S.C. chapter 67.)
  - (xiii) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements (May 2014) (41 U.S.C. chapter 67)
  - (xiv) 52.222-54, Employment Eligibility Verification (Oct 2015) (E. O. 12989).
  - (xv) 52.222-55, Minimum Wages Under Executive Order 13658 (Dec 2015) (E.O. 13658).
  - (xvi) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
  - (xvii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (May 2014) (42 U.S.C. 1792). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.
  - (xviii) 52.247-64, Preference for Privately-Owned U.S. Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.
- (2) While not required, the Contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.
- (End of Clause)



**CLAUSES ADDED TO PART 12 BY ADDENDUM****52.203-14 DISPLAY OF HOTLINE POSTER (OCT 2015) FAR**

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(2) Any required posters may be obtained as follows:

Poster(s)/ Obtain  
from DoD Hotline

Posters

DoD Inspector General  
400 Army Navy Drive  
\*\*\*\*\*ATTN: Defense Hotline  
Arlington, VA 22202-4704**252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (OCT 2016)**(a) *Definitions.* As used in this clause—

“Adequate security” means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.

“Compromise” means disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

“Contractor attributional/proprietary information” means information that identifies the contractor(s), whether directly or indirectly, by the grouping of information that can be traced back to the contractor(s) (e.g., program description, facility locations), personally identifiable information, as well as trade secrets, commercial or financial information, or other commercially sensitive information that is not customarily shared outside of the company.

“Controlled technical information” means technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents. The term does not include information that is lawfully publicly available without restrictions.

“Covered contractor information system” means an unclassified information system

that is owned, or operated by or for, a contractor and that processes, stores, or transmits

covered defense information.

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“Covered defense information” means unclassified controlled technical information or other information, as described in the Controlled Unclassified Information (CUI) Registry at <http://www.archives.gov/cui/registry/category-list.html>, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Governmentwide policies, and is—

- (1) Marked or otherwise identified in the contract, task order, or delivery order and provided to the contractor by or on behalf of DoD in support of the performance of the contract; or
- (2) Collected, developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract.

“Cyber incident” means actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.

“Forensic analysis” means the practice of gathering, retaining, and analyzing computer-related data for investigative purposes in a manner that maintains the integrity of the data.

“Information system” means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

“Malicious software” means computer software or firmware intended to perform an unauthorized process that will have adverse impact on the confidentiality, integrity, or availability of an information system. This definition includes a virus, worm, Trojan horse, or other code-based entity that infects a host, as well as spyware and some forms of adware.

“Media” means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and

printouts onto which covered defense information is recorded, stored, or printed within a covered contractor information system.

“Operationally critical support” means supplies or services designated by the Government as critical for airlift, sealift, intermodal transportation services, or logistical support that is essential to the mobilization, deployment, or sustainment of the Armed Forces in a contingency operation.

“Rapidly report” means within 72 hours of discovery of any cyber incident.

“Technical information” means technical data or computer software, as those terms are

defined in the clause at DFARS 252.227-7013, Rights in Technical Data—

Noncommercial Items, regardless of whether or not the clause is incorporated in this

solicitation or contract. Examples of technical information include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog-item identifications, data sets, studies and analyses and related information, and computer software executable code and source code.

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(b) *Adequate security*. The Contractor shall provide adequate security on all covered contractor information systems. To provide adequate security, the Contractor shall implement, at a minimum, the following information security protections:

(1) For covered contractor information systems that are part of an Information Technology (IT) service or system operated on behalf of the Government, the following security requirements apply:

- (i) Cloud computing services shall be subject to the security requirements specified in the clause 252.239-7010, Cloud Computing Services, of this contract.
- (ii) Any other such IT service or system (i.e., other than cloud computing) shall be subject to the security requirements specified elsewhere in this contract.

(2) For covered contractor information systems that are not part of an IT service or system operated on behalf of the Government and therefore are not subject to the security requirement specified at paragraph (b)(1) of this clause, the following security requirements apply:

- (i) Except as provided in paragraph (b)(2)(ii) of this clause, the covered contractor information system shall be subject to the security requirements in National

Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems

and Organizations” (available via the internet at <http://dx.doi.org/10.6028/NIST.SP.800-171>) in effect at the time the solicitation is issued or as authorized by the Contracting Officer.

- (ii)(A) The Contractor shall implement NIST SP 800-171, as soon as practical, but not later than December 31, 2017. For all contracts awarded prior to October 1, 2017, the Contractor shall notify the DoD Chief Information Officer (CIO), via email at

[osd.dibcsia@mail.mil](mailto:osd.dibcsia@mail.mil), within 30 days of contract award, of any security requirements

specified by NIST SP 800-171 not implemented at the time of contract award.

- (B) The Contractor shall submit requests to vary from NIST SP 800-171 in writing to the Contracting Officer, for consideration by the DoD CIO. The Contractor need not implement any security requirement adjudicated by an authorized representative of the DoD CIO to be nonapplicable or to

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have an alternative, but equally effective, security measure that may be implemented in its place.

(C) If the DoD CIO has previously adjudicated the contractor's requests indicating that a requirement is not applicable or that an alternative security measure is equally effective, a copy of that approval shall be provided to the Contracting Officer when requesting its recognition under this contract.

(D) If the Contractor intends to use an external cloud service provider to store, process, or transmit any covered defense information in performance of this contract, the Contractor shall require and ensure that the cloud service provider meets security requirements equivalent to those established by the Government for the Federal Risk and Authorization Management Program (FedRAMP) Moderate baseline (<https://www.fedramp.gov/resources/documents/>) and that the cloud service provider complies with requirements in paragraphs (c) through (g) of this clause for cyber incident reporting, malicious software, media preservation and protection, access to additional information and equipment necessary for forensic analysis, and cyber incident damage assessment.

(3) Apply other information systems security measures when the Contractor reasonably determines that information systems security measures, in addition to

those identified in paragraphs (b)(1) and (2) of this clause, may be required to provide adequate security in a dynamic environment or to accommodate special circumstances (e.g., medical devices) and any individual, isolated, or temporary deficiencies based on an assessed risk or vulnerability. These measures may be addressed in a system security plan.

*(c) Cyber incident reporting requirement.*

(1) When the Contractor discovers a cyber incident that affects a covered contractor information system or the covered defense information residing therein, or that affects the contractor's ability to perform the requirements of the contract that are

designated as operationally critical support and identified in the contract, the

Contractor shall—

(i) Conduct a review for evidence of compromise of covered defense information, including, but not limited to, identifying compromised computers, servers, specific data, and user accounts. This review shall also include analyzing covered contractor information system(s) that were part of the cyber incident, as well as other information systems on the Contractor's network(s), that may have been accessed as a result of the incident in order to identify compromised

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covered defense information, or that affect the Contractor's ability to provide operationally critical support; and

(ii) Rapidly report cyber incidents to DoD at <http://dibnet.dod.mil>.

(2) *Cyber incident report.* The cyber incident report shall be treated as information created by or for DoD and shall include, at a minimum, the required elements at <http://dibnet.dod.mil>.

(3) *Medium assurance certificate requirement.* In order to report cyber incidents in accordance with this clause, the Contractor or subcontractor shall have or acquire a DoD-approved medium assurance certificate to report cyber incidents. For information on obtaining a DoD-approved medium assurance certificate, see

<http://iase.disa.mil/pki/eca/Pages/index.aspx>.

(d) *Malicious software.* When the Contractor or subcontractors discover and isolate malicious software in connection with a reported cyber incident, submit the malicious software to DoD Cyber Crime Center (DC3) in accordance with instructions provided by DC3 or the Contracting Officer. Do not send the malicious software to the Contracting Officer.

(e) *Media preservation and protection.* When a Contractor discovers a cyber incident has occurred, the Contractor shall preserve and protect images of all known affected information systems identified in paragraph (c)(1)(i) of this clause and all relevant monitoring/packet capture data for at least 90 days from the submission of the cyber incident report to allow DoD to request the media or decline interest.

(f) *Access to additional information or equipment necessary for forensic analysis.* Upon request by DoD, the Contractor shall provide DoD with access to additional information or equipment that is necessary to conduct a forensic analysis.

(g) *Cyber incident damage assessment activities.* If DoD elects to conduct a damage assessment, the Contracting Officer will request that the Contractor provide all of the damage assessment information gathered in accordance with paragraph (e) of this clause.

(h) *DoD safeguarding and use of contractor attributional/proprietary information.* The Government shall protect against the unauthorized use or release of information obtained from the contractor (or derived from information obtained from the contractor) under this clause that includes contractor attributional/proprietary information, including such information submitted in accordance with paragraph (c). To the maximum extent practicable, the Contractor shall identify and mark attributional/proprietary information. In making an authorized release of such information, the Government will implement appropriate procedures to minimize the contractor attributional/proprietary information that is included in such authorized release, seeking to include only that information that is necessary for the authorized purpose(s) for which the information is being released.

(i) *Use and release of contractor attributional/proprietary information not created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is not created by or for DoD is authorized to be released outside of DoD—

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- (1) To entities with missions that may be affected by such information;
- (2) To entities that may be called upon to assist in the diagnosis, detection, or mitigation of cyber incidents;
- (3) To Government entities that conduct counterintelligence or law enforcement investigations;
- (4) For national security purposes, including cyber situational awareness and defense purposes (including with Defense Industrial Base (DIB) participants in the

program at 32 CFR part 236); or

- (5) To a support services contractor (“recipient”) that is directly supporting Government activities under a contract that includes the clause at 252.204-7009, Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.

(j) *Use and release of contractor attributional/proprietary information created by or for DoD.* Information that is obtained from the contractor (or derived from information obtained from the contractor) under this clause that is created by or for DoD (including the information submitted pursuant to paragraph (c) of this clause) is authorized to be used and released outside of DoD for purposes and activities authorized by paragraph (i) of this clause, and for any other lawful Government purpose or activity, subject to all applicable statutory, regulatory, and policy based restrictions on the Government’s use and release of such information.

(k) The Contractor shall conduct activities under this clause in accordance with applicable laws and regulations on the interception, monitoring, access, use, and disclosure of electronic communications and data.

(l) *Other safeguarding or reporting requirements.* The safeguarding and cyber incident reporting required by this clause in no way abrogates the Contractor’s responsibility for other safeguarding or cyber incident reporting pertaining to its unclassified information systems as required by other applicable clauses of this contract, or as a result of other applicable U.S. Government statutory or regulatory requirements.

(m) *Subcontracts.* The Contractor shall—

- (1) Include this clause, including this paragraph (m), in subcontracts, or similar contractual instruments, for operationally critical support, or for which subcontract

performance will involve covered defense information, including subcontracts for commercial items, without alteration, except to identify the parties. The Contractor shall determine if the information required for subcontractor performance retains its identity as covered defense information and will require protection under this clause, and, if necessary, consult with the Contracting Officer; and

- (2) Require subcontractors to—

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(i) Notify the prime Contractor (or next higher-tier subcontractor) when submitting a request to vary from a NIST SP 800-171 security requirement to the Contracting Officer, in accordance with paragraph (b)(2)(ii)(B) of this clause; and

(ii) Provide the incident report number, automatically assigned by DoD, to the prime Contractor (or next higher-tier subcontractor) as soon as practicable, when reporting a cyber incident to DoD as required in paragraph (c) of this clause.

(End of clause)

## **252.211-7006 RADIO FREQUENCY IDENTIFICATION (JUN 2016) DFARS**

(a) *Definitions.* As used in this clause—

“Advance shipment notice” means an electronic notification used to list the contents of a shipment of goods as well as additional information relating to the shipment, such as passive radio frequency identification (RFID) or item unique identification (IUID) information, order information, product description, physical characteristics, type of packaging, marking, carrier information, and configuration of goods within the transportation equipment.

“Bulk commodities” means the following commodities, when shipped in rail tank cars, tanker trucks, trailers, other bulk wheeled conveyances, or pipelines:

- (1) Sand.
- (2) Gravel.
- (3) Bulk liquids (water, chemicals, or petroleum products).
- (4) Ready-mix concrete or similar construction materials.
- (5) Coal or combustibles such as firewood.
- (6) Agricultural products such as seeds, grains, or animal feed.

“Case” means either a MIL-STD-129 defined exterior container within a palletized unit load or a MIL-STD-129 defined individual shipping container.

“Electronic Product Code™ (EPC)” means an identification scheme for universally identifying physical objects via RFID tags and other means. The standardized EPC data consists of an EPC (or EPC identifier) that uniquely identifies an individual object, as well as an optional filter value when judged to be necessary to enable effective and efficient reading of the EPC tags. In addition to this standardized data, certain classes of EPC tags will allow user-defined data. The EPC Tag Data Standards will define the length and position of this data, without defining its content.

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“EPCglobal®” means a subscriber-driven organization comprised of industry leaders and organizations focused on creating global standards for the adoption of passive RFID technology.

“Exterior container” means a MIL-STD-129 defined container, bundle, or assembly that is sufficient by reason of material, design, and construction to protect unit packs and intermediate containers and their contents during shipment and storage. It can be a unit pack or a container with a combination of unit packs or intermediate containers. An exterior container may or may not be used as a shipping container.

“Palletized unit load” means a MIL-STD-129 defined quantity of items, packed or unpacked, arranged on a pallet in a specified manner and secured, strapped, or fastened on the pallet so that the whole palletized load is handled as a single unit. A palletized or skidded load is not considered to be a shipping container. A loaded 463L System pallet is not considered to be a palletized unit load. Refer to the Defense Transportation Regulation, DoD 4500.9-R, Part II, Chapter 203, for marking of 463L System pallets.

“Passive RFID tag” means a tag that reflects energy from the reader/interrogator or that receives and temporarily stores a small amount of energy from the reader/interrogator signal in order to generate the tag response. The only acceptable tags are EPC Class 1 passive RFID tags that meet the EPCglobal™ Class 1 Generation 2 standard.

“Radio frequency identification (RFID)” means an automatic identification and data capture technology comprising one or more reader/interrogators and one or more radio frequency transponders in which data transfer is achieved by means of suitably modulated inductive or radiating electromagnetic carriers.

“Shipping container” means a MIL-STD-129 defined exterior container that meets carrier regulations and is of sufficient strength, by reason of material, design, and construction, to be shipped safely without further packing (e.g., wooden boxes or crates, fiber and metal drums, and corrugated and solid fiberboard boxes).

(b)(1) Except as provided in paragraph (b)(2) of this clause, the Contractor shall affix passive RFID tags, at the case- and palletized-unit-load packaging levels, for shipments of items that—

(i) Are in any of the following classes of supply, as defined in DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation, AP1.1.11:

(A) Subclass of Class I – Packaged operational rations.

(B) Class II – Clothing, individual equipment, tentage, organizational tool kits, hand tools, and administrative and housekeeping supplies and equipment.

(C) Class IIIP – Packaged petroleum, lubricants, oils, preservatives, chemicals, and additives.

(D) Class IV – Construction and barrier materials.

(E) Class VI – Personal demand items (non-military sales items).

(F) Subclass of Class VIII – Medical materials (excluding



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pharmaceuticals, biologicals, and reagents – suppliers should limit the mixing of excluded and non-excluded materials).

(G) Class IX – Repair parts and components including kits, assemblies and subassemblies, reparable and consumable items required for maintenance support of all equipment, excluding medical-peculiar repair parts; and

(ii) Are being shipped to one of the locations listed at [http://www.acq.osd.mil/log/sci/RFID\\_ship-to-locations.html](http://www.acq.osd.mil/log/sci/RFID_ship-to-locations.html) or to—

(A) A location outside the contiguous United States when the shipment has been assigned Transportation Priority 1, or to—

(B) The following location(s) deemed necessary by the requiring activity:

Contract Line, Subline, or Exhibit Line Item Number	Location Name	City	State	DoDAAC

(2) The following are excluded from the requirements of paragraph (b)(1) of this clause:

(i) Shipments of bulk commodities.

(ii) Shipments to locations other than Defense Distribution Depots when the contract includes the clause at FAR 52.213-1, Fast Payment Procedures.

(c) The Contractor shall—

(1) Ensure that the data encoded on each passive RFID tag are globally unique (i.e., the tag ID is never repeated across two or more RFID tags and conforms to the requirements in paragraph (d) of this clause;

(2) Use passive tags that are readable; and

(3) Ensure that the passive tag is affixed at the appropriate location on the specific level of packaging, in accordance with MIL-STD-129 (Section 4.9.2) tag placement specifications.

(d) *Data syntax and standards.* The Contractor shall encode an approved RFID tag using the instructions provided in the EPC™ Tag Data Standards in effect at the time of contract award. The EPC™ Tag Data Standards are available at <http://www.epcglobalinc.org/standards/>.

(1) If the Contractor is an EPCglobal™ subscriber and possesses a unique EPC™ company prefix, the Contractor may use any of the identifiers and encoding instructions described in the

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most recent EPC™ Tag Data Standards document to encode tags.

(2) If the Contractor chooses to employ the DoD identifier, the Contractor shall use its previously assigned Commercial and Government Entity (CAGE) code and shall encode the tags in accordance with the tag identifier details located in the DoD Suppliers' Passive RFID Information Guide at <http://www.acq.osd.mil/log/sci/ait.html>. If the Contractor uses a third-party packaging house to encode its tags, the CAGE code of the third-party packaging house is acceptable.

(3) Regardless of the selected encoding scheme, the Contractor with which the Department holds the contract is responsible for ensuring that the tag ID encoded on each passive RFID tag is globally unique, per the requirements in paragraph (c)(1).

(e) *Advance shipment notice*. The Contractor shall use Wide Area WorkFlow (WAWF), as required by DFARS 252.232-7003, Electronic Submission of Payment Requests, to electronically submit advance shipment notice(s) with the RFID tag ID(s) (specified in paragraph (d) of this clause) in advance of the shipment in accordance with the procedures at <https://wawf.eb.mil/>.

(End of clause)

**52.216-9065 ECONOMIC PRICE ADJUSTMENT – ACTUAL MATERIAL COSTS FOR DLA TROOP SUPPORT - SUBSISTENCE PRODUCT PRICE BUSINESS MODEL (OCT 2015)**

(a) Warranties: For the portion of the schedule that is covered by this economic price adjustment (EPA) clause, the Contractor warrants that --

(1) Contract unit prices covered by this contract do not include allowances for any portion of the contingency covered by this clause; and

(2) All price adjustments invoiced under this contract shall be computed in accordance with the provisions of this clause.

(b) Definitions: As used throughout this clause, the term

(1) “Contract unit price” means the total price per unit charged to DLA Troop Support for a product delivered to DLA Troop Support’s customers. The Contract unit price consists of two components: Product price and distribution price as identified in the schedule of items. The sum of the two component prices shall be rounded to the nearest cent to determine the final Contract unit price.

(2) DLA Troop Support “Manufacturer’s Price Agreement” (MPA) means an agreement between DLA Troop Support and manufacturers which identifies a fixed product price for specific items that will be cataloged by the prime vendor.

(3) “Product price” is the most recent DLA Troop Support MPA price or the most recent manufacturer, grower or private label holder commercial price per unit to the Contractor, exclusive of standard freight.

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(i) Exceptions:

(A) Fresh fruits and vegetables (FF&V):

(1) The product is listed in the distribution category **10 and 14** for prime vendor fresh fruits and vegetables (FF&V) and

(2) It is necessary for the product to be transported into the local market of the importer, as otherwise approved under the contract, from a foreign country because local supply does not exist or it is insufficient to meet demand requirements; and

(3) The importer that establishes the product price is the firm that actually performs the FF&V import service, including, but not limited to: procurement, storage, consolidation, pallets, and palletizing as it applies to the importer's normal commercial sales, and the importer has comparable commercial sales in the market that is the point of import.

(B) A contiguous United States (CONUS) based manufacturer, grower or private label holder's product pricing which is a national price inclusive of transportation costs to a Distribution Point shall be supported by documentation and may be considered by the Government on a case by case basis, upon concurrence of the Contracting Officer.

(C) Mandatory source items: The product price shall be limited to the nonprofit agency's price for product as set in accordance with applicable law. The product price shall be based on f.o.b. origin/nonprofit agency. (Prices set in accordance with applicable law (f.o.b. origin/nonprofit agency).)

(D) Prime vendor table displays/decorations only: For products listed in category **N/A** prime vendor table displays/decorations only, the product price shall be based on f.o.b. origin/point of the manufacturer's distributor because the manufacturer will not sell directly to the prime vendor. This exception must be approved by the Contracting Officer on a case by case basis. Support documentation is required.

(E) A CONUS-based redistributor's price for a specific manufacturer's product (also known as a stock keeping unit (SKU)) may be considered by the Government as long as the redistributor's price for the quantity ordered is equal to or lower than the manufacturer's published price inclusive of discounts/allowances. This exception must be approved by the Contracting officer on a case by case basis. Support documentation may be required.

(4) "Product allowance" is discounts, rebates, and allowances to be passed on to the Government. In accordance with other provisions of the contract, all discounts, rebates, or allowances on particular items which are reflected in the amounts shown on the face of the manufacture's, grower's or private label holder's invoice (referred to as "off-invoice allowances") or otherwise given to the Contractor by the manufacturer, grower or private label holder, shall be passed by the Contractor to the Government, in the form of an up-front price reduction. The total of these discounts, rebates, and allowances (or product allowance), shall be reflected via a reduced subsistence total order and receipt electronic system (STORES) price, resulting in a lower invoice price to the customer. Any rebates that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check made to the United States (U.S.) Treasury, attached with itemized listing of all customer purchases by line item to include contract number, call number, purchase order number and contract line-item number (CLIN).

(5) "Distribution price(s)" means the firm fixed price portion of the Contract unit price, offered as a dollar amount per unit of measure, rounded up or down to the nearest cent. The distribution price is the only method for the Contractor to bill the Government for all aspects of contract performance other than product price, including but not limited to, the

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performance requirements of this Statement of Work (SOW). Product price is distinct from and not to be included in the distribution price. The distribution price may be further segregated into pricing segments covering discrete, solicitation-specific performance requirements.

(6) “Ordering catalog” means the electronic listing of items and their corresponding contract unit prices available for ordering under this contract.

(7) “Ordering month” means from Sunday 12:01 AM of the first full week in a calendar month through the last Saturday 11:59 PM that precedes the Sunday of the first full week in the next calendar month (eastern time (ET), standard or daylight as applicable).

(8) “United States Defense Transportation System (DTS) Ocean Shipping Costs:” DTS ocean transportation costs (for shipping the product from the Prime Vendor’s CONUS facility(s) to the prime vendor’s OCONUS facility(s), aka “point to point” delivery via DTS), shall be excluded from the distribution price. The Defense Transportation System is responsible for point-to-point delivery.

(c) Price adjustments:

(1) General:

(i) All contract unit prices shall be fixed and remain unchanged until changed pursuant to this clause or other applicable provision of the contract. Only the product price component of the Contract unit price is subject to adjustment under this clause. After the first ordering month, if the Contractor’s product price changes for any or all contract unit prices, the Contract unit price shall be changed in the next month’s ordering catalog upon the Contractor’s request, submitted in accordance with paragraph iii below, by the same dollar amount of the change in the Product price, subject to the limitations in paragraph (d). The price change shall be effective at the beginning of the next ordering month. All ordering catalog unit prices computed in accordance with this clause and in effect when an order is placed shall remain in effect for that order through delivery. DLA Troop Support will be charged the Contract unit price in effect at the time of each order regardless of any changes in the unit price occurring in any subsequent ordering month.

(ii) Catalog product prices must be reflective of the prime vendor’s last receipt price (the price of the stock most recently received into the OCONUS inventory). For all distribution categories, when multiple sources are being utilized and more than one manufacturer’s product is receipted prior to a catalog update, the Contractor shall establish the product price based on the mix of invoices received after the previous changes period. The product price would be derived as follows:

Supplier A – **30% X \$7.60 = \$2.28**

Supplier B – **30% X \$5.90 = \$1.77**

Supplier C – **30% X \$6.30 = \$1.89**

Product price = **\$5.94**

(iii) Updates to the product price: All notices and requests for new item product prices and price changes shall be submitted monthly, no later than **5:00 PM** local Philadelphia, Pennsylvania, United States (U.S.) time one week prior

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to the first day of the next ordering month, to be effective in the next ordering month's catalog prices. The product price shall have any and all product allowance subtractions made prior to presenting the product price to DLA Troop Support. The Contractor shall notify the Contracting Officer of its notice/request in the form of an electronic data interchange (EDI) 832 transaction set. The change notice shall include the Contractor's adjustment in the product price component of the applicable Contract unit price. Upon the Contracting Officer's acceptance of such electronic data interchange (EDI) 832 price changes in accordance with (v) below, the price change transaction sets will post in the next month's ordering catalog and each Contract unit price shall be changed by the same dollar amount of the change in the product price in the next month's ordering catalog.

(iv) All price changes, and catalog contract prices, are subject to review by the Government. The Contracting Officer may at any time require the submission of supporting data to substantiate any requested price change or the requested continuation of the pre-existing price for any item, including prices applicable to prior ordering months. Upon notice from the Contracting Officer that supporting data is required, the Contractor shall promptly furnish to the Government all supporting data, including but not limited to, invoices, quotes, price lists, supplier documentation regarding rebates/allowances, and any other substantiating information requested by the Contracting Officer.

(v) Price change requests that the Contracting Officer questions or finds to be inconsistent with the requirements of this clause shall not be posted until the Contracting Officer specifically authorizes the posting. If the Contracting Officer does not notify the Contractor by close of business local Philadelphia, Pennsylvania, U.S. time on the **Friday** day immediately following the **Monday** that a price or a price change request is being questioned or has been found to be erroneous, the price change(s) will post to the ordering catalog effective the beginning of the following ordering month. The posting of updated prices in the ordering catalog, calculated in accordance with this clause, constitutes a modification to this contract. No further contract modification is required to effect this change.

(vi) Should the Contracting Officer determine that, or question whether, a price change request contained an erroneous unit price or price change, or cannot otherwise determine the changed price(s) to be fair and reasonable, such as when the changed price(s) is (are) higher than lower product prices for items of comparable quality which are reasonably available to the Government or Contractor from other sources, the Contracting Officer will so advise the Contractor, prior to close of business local Philadelphia, Pennsylvania, U.S. time on the **Friday** immediately following the **Monday**. If the Contracting Officer cannot determine a price fair and reasonable, and the Contracting Officer and the Contractor cannot negotiate a fair and reasonable price, the Contracting Officer may reject any price change and direct in writing that the item in question be removed from the Contractor's ordering catalog, without Government liability. The Contracting Officer may subsequently remove any such item from the ordering catalog if the Contractor fails to remove it. The Government has the right to procure such removed items from any alternate source of supply, and the failure of the Contractor to supply such item will be considered a negative instance of performance.

(vii) In the event of a price change not posting or an ordering catalog contract unit price not computed in accordance with this clause, resulting in an incorrectly increased or decreased Contract unit price, the prime vendor shall immediately notify the Contracting Officer in writing and promptly thereafter correct its ordering catalog and submit a refund for any amounts paid to the Contractor resulting from the erroneous price. In the event of an erroneous price decrease in the ordering catalog, if the Contractor can demonstrate to the satisfaction of the Contracting Officer that the error did not result from the fault or negligence of the Contractor, the Contractor may submit a request for equitable adjustment for consideration by the Contracting Officer.

(2) Limitations: All adjustments under this clause shall be limited to the effect on contract unit prices of actual increases or decreases in the product prices for material. There shall be no upward adjustment for --

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- (i) Supplies for which the product price is not affected by such changes;
  - (ii) Changes in the quantities of material; and
  - (iii) Increases in unit prices that the Contracting Officer determines are computed incorrectly (i.e. not adhering to the Contract unit price definition in this clause) and/or increases in unit prices that the Contracting Officer determines are not fair and reasonable.
- (d) Upward ceiling on economic price adjustment: The aggregate of contract product price increases for each item under this clause during the contract period inclusive of any option period(s) or tiered pricing period(s) shall not exceed **30 (%) 60 (%)** for fresh fruits and vegetables (FF&V) of the initial Contract product price, except as provided below:
- (1) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. In the event the latest actual market price for an item would result in a Contract unit price that will exceed the allowable ceiling price under the contract, then the Contractor shall immediately notify the Contracting Officer in writing or via its EDI price change request and separate email no later than the time specified in paragraph (c)(1)(iii) above. With either such notification the Contractor shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.
  - (2) If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill future orders for such items, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing. After evaluation of a requested actual price increase, if the Contracting Officer authorizes the change in the Contract unit price, the Contractor shall submit the EDI 832 price change. The price change shall be posted for the following month's ordering catalog.
- (e) Downward limitation on economic price adjustments: There is no downward limitation on the aggregated percentage of decreases that may be made under this clause.
- (f) Examination of record: The Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents and other data, to include commercial sales data, the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause. Such examination may occur during all reasonable times until the end of 3 years after the date of final payment under this contract or the time periods specified in Subpart 4.7 of the Federal Acquisition Regulation (FAR), whichever is earlier.
- (g) Final invoice: The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required or authorized by this clause.
- (h) Disputes: Any dispute arising under this clause shall be determined in accordance with the "Disputes" clause of the contract.
- (End of Clause)

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## **52.216-19 ORDER LIMITATIONS (OCT 1995) FAR**

- (a) ) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than 250.00, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.
- (b) ) Maximum order. The Contractor is not obligated to honor—
- (1) Any order for a single item in excess of N/A ;
  - (2) Any order for a combination of items in excess of N/A ; or
- (3) ) A series of orders from the same ordering office within N/A days that together call for quantities exceeding the limitation in paragraph (b)(1) or (2) of this section.
- (c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.
- (d) ) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within N/A days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.  
 (End of clause)

## **52.216-22 INDEFINITE QUANTITY (OCT 1995) FAR**

- (a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.
- (b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."
- (c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.
- (d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period ; provided, that the Contractor shall not be required to make any deliveries under this contract after the last day of the contract.  
 (End of clause)

## **252.216-7006 ORDERING (MAY 2011) DFARS**

- (a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the contract schedule. Such orders may be issued from the first day of the contract through contract end date (see page 1 for contract performance dates).

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**252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (DEC2016) DFARS**

(a) *Definitions.* As used in this clause—

“Component” means any item supplied to the Government as part of an end product or of another component.

“End product” means supplies delivered under a line item of this contract.

"Qualifying country" means a country with a reciprocal defense procurement memorandum of understanding or international agreement with the United States in which both countries agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country, and the memorandum or agreement complies, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and with 10 U.S.C. 2457. Accordingly, the following are qualifying countries:

Australia

Austria

Belgium

Canada

Czech Republic

Denmark

Egypt

Estonia

Finland

France

Germany

Greece

Israel

Italy

Japan

Luxembourg

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Netherlands

Norway

Poland

Portugal

Slovenia

Spain

Sweden

Switzerland

Turkey

United Kingdom of Great Britain and Northern Ireland.

“Structural component of a tent”—

(i) Means a component that contributes to the form and stability of the tent (e.g., poles, frames, flooring, guy ropes, pegs);

(ii) Does not include equipment such as heating, cooling, or lighting.

“United States” means the 50 States, the District of Columbia, and outlying areas.

“U.S.-flag vessel” means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall deliver under this contract only such of the following items, either as end products or components, that have been grown, reprocessed, reused, or produced in the United States:

(1) Food.

(2) Clothing and the materials and components thereof, other than sensors, electronics, or other items added to, and not normally associated with, clothing and the materials and components thereof. Clothing includes items such as outerwear, headwear, underwear, nightwear, footwear, hosiery, handwear, belts, badges, and insignia.

(3)(i) Tents and structural components of tents;

(ii) Tarpaulins; or

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(iii) Covers.

- (4) Cotton and other natural fiber products.
- (5) Woven silk or woven silk blends.
- (6) Spun silk yarn for cartridge cloth.
- (7) Synthetic fabric, and coated synthetic fabric, including all textile fibers and yarns that are for use in such fabrics.
- (8) Canvas products.
- (9) Wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles).
- (10) Any item of individual equipment (Federal Supply Class 8465) manufactured from or containing fibers, yarns, fabrics, or materials listed in this paragraph (b).

(c) This clause does not apply—

- (1) To items listed in section 25.104(a) of the Federal Acquisition Regulation (FAR), or other items for which the Government has determined that a satisfactory quality and sufficient quantity cannot be acquired as and when needed at U.S. market prices;
- (2) To incidental amounts of cotton, other natural fibers, or wool incorporated in an end product, for which the estimated value of the cotton, other natural fibers, or wool—
  - (i) Is not more than 10 percent of the total price of the end product; and
  - (ii) Does not exceed the simplified acquisition threshold in FAR Part 2;
- (3) To waste and byproducts of cotton or wool fiber for use in the production of propellants and explosives;
- (4) To foods, other than fish, shellfish, or seafood, that have been manufactured or processed in the United States, regardless of where the foods (and any component if applicable) were grown or produced. Fish, shellfish, or seafood manufactured or processed in the United States and fish, shellfish, or seafood contained in foods manufactured or processed in the United States shall be provided in accordance with paragraph (d) of this clause;

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(5) To chemical warfare protective clothing produced in a qualifying country; or

(6) To fibers and yarns that are for use in synthetic fabric or coated synthetic fabric (but does apply to the synthetic or coated synthetic fabric itself), if—

(i) The fabric is to be used as a component of an end product that is not a textile product. Examples of textile products, made in whole or in part of fabric, include□

(A) Draperies, floor coverings, furnishings, and bedding (Federal Supply Group 72, Household and Commercial Furnishings and Appliances);

(B) Items made in whole or in part of fabric in Federal Supply Group 83, Textile/leather/furs/apparel/findings/tents/flags, or Federal Supply Group 84, Clothing, Individual Equipment and Insignia;

(C) Upholstered seats (whether for household, office, or other use); and

(D) Parachutes (Federal Supply Class 1670); or

(ii) The fibers and yarns are para-aramid fibers and continuous filament para-aramid yarns manufactured in a qualifying country.

(d)(1) Fish, shellfish, and seafood delivered under this contract, or contained in foods delivered under this contract—

(i) Shall be taken from the sea by U.S.-flag vessels; or

(ii) If not taken from the sea, shall be obtained from fishing within the United States; and

(2) Any processing or manufacturing of the fish, shellfish, or seafood shall be performed on a U.S.-flag vessel or in the United States.

(End of clause)

**252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE  
 CONTRACTORS OUTSIDE THE UNITED STATES (JUN 2015) DFARS**

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(d) Information and guidance pertaining to DoD antiterrorism/force protection can be obtained from

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<input type="checkbox"/>	Defense Supply Center Columbus P.O. Box 3990 ATTN: DSCC-WSP, Bld. 48 Columbus, OH 43218-3990 Telephone: (614) 692-5907
<input type="checkbox"/>	Defense Supply Center Philadelphia DSCP FORCE PROTECTION OFFICER (DSCP-KS) Telephone: (215) 737-2248
<input type="checkbox"/>	Defense Supply Center Richmond 8000 Jefferson Davis Highway ATTN: Security Division Richmond, VA 23297 Telephone: (804) 279-4795
<input checked="" type="checkbox"/>	Other: Defense Supply Center Columbus P.O. Box 3990 ATTN: DSCC-WSP, Bld. 48

**252.229-7001 TAX RELIEF (SEPT 2014) DFARS**

(a) Prices set forth in this contract are exclusive of all taxes and duties from which the United States Government is exempt by virtue of tax agreements between the United States Government and the Contractor's government. The following taxes or duties have been excluded from the contract price:

**NAME OF TAX:**

**RATE (PERCENTAGE):**

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**252.237-7019 TRAINING FOR CONTRACTOR PERSONNEL INTERACTING WITH DETAINEES (JUN 2013) DFARS**

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(B) Provide a copy of the training receipt document specified in paragraph (b)(1) of this clause to the Contractor for retention.

(ii) To make these arrangements, the following points of contact apply:

US Pacific Command (USPACOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Deputy Staff Judge Advocate

POC: Lieutenant Colonel James Buckels, USAF

james.buckels@pacom.mil

Comm: 808-477-1193

[Contracting Officer to insert applicable point of contact information cited in PGI 237.171-3(b)].

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**252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENTS (DEC 2012) DFARS**

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(b) In accordance with 10 U.S.C. 2410(a), any request for equitable adjustment to contract terms that exceeds the simplified acquisition threshold shall bear, at the time of submission, the following certificate executed by an individual authorized to certify the request on behalf of the Contractor:

**I certify that the request is made in good faith, and that the supporting data are accurate and complete to the best of my knowledge and belief.**

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(Official's

Name) (Title)

## **52.252-02 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) FAR**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <http://www.dla.mil/Acquisition> and <http://farsite.hill.af.mil/> .  
(End of Clause)

## **52.252-06 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984) FAR**

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the clause.  
(b) The use in this solicitation or contract of any DoD FAR Supplement (DFARS) (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the name of the regulation.  
(End of Clause)

## **252.225-7048 EXPORT CONTROLLED ITEMS (JUN 2013) DFARS**

(a) *Definition.* “Export-controlled items,” as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes:

- (1) “Defense items,” defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120.
- (2) “Items,” defined in the EAR as “commodities”, “software”, and “technology,” terms that are also defined in the EAR, 15 CFR 772.1.

(b) The Contractor shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for contractors to register with the Department of State in accordance with the ITAR. The Contractor shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with the Department of Commerce regarding any questions relating to compliance with the EAR.

(c) The Contractor's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.

(d) Nothing in the terms of this contract adds, changes, supersedes, or waives any of the requirements of

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applicable Federal laws, Executive orders, and regulations, including but not limited to—

- (1) The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, *et seq.*);
- (2) The Arms Export Control Act (22 U.S.C. 2751, *et seq.*);
- (3) The International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*);
- (4) The Export Administration Regulations (15 CFR Parts 730-774);
- (5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and
- (6) Executive Order 13222, as extended.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts. (End of clause)

## 52.215-06 PLACE OF PERFORMANCE (OCT 1997) FAR

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ☒ **intends**, ☐ **does not intend** [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks “intends” in paragraph (a) of this provision, it shall insert in the following spaces the required information:

### Place of Performance

(Street Address, City, State, County, ZIP Code)

#### OCONUS Warehouse Distribution Facilities

Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Plant or Facility if other than Offeror or Respondent
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

#### CONUS Warehouse Distribution Facilities

Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Plant or Facility if other than Offeror or Respondent
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

#### Administrative / Management Support Offices

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Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Facility
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
<b>OCONUS Warehouse Distribution Facilities</b>	
Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Plant or Facility if other than Offeror or Respondent
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<b>CONUS Warehouse Distribution Facilities</b>	
Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Plant or Facility if other than Offeror or Respondent
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<b>Administrative / Management Support Offices</b>	
Place of Performance (Street Address, City, State, County, Zip Code)	Name and Address of Owner & Operator of the Facility
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<b>CONUS Source Load / Manufacturing Facilities</b>	
Vendor (Name and CAGE)	Place of Performance (Street Address, City, State, County, Zip Code)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]



[illegible]

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**Name and Address of Owner and Operator of the Plant or Facility if Other than Offeror or Respondent**

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(End of Provision)

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**Clauses Incorporated by Reference**

The following additional clauses are incorporated by reference:

252.204-7009 LIMITATIONS ON THE USE OR DISCLOSURE OF THIRD-PARTY CONTRACTOR REPORTED CYBER INCIDENT INFORMATION (OCT 2016) DFARS

252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (DEC 2010) DFARS

252.201-7000 CONTRACTING OFFICER'S REPRESENTATIVE (DEC 1991) DFARS

52.203-03 GRATUITIES (APR 1984) FAR

52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (OCT 2015) FAR

252.203-7000 REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS (SEP 2011) DFARS

252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013) DFARS

52.204-18 COMMERCIAL AND GOVERNMENT ENTITY CODE MAINTENANCE (JUL 2016) FAR

252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL (DEC 2012) DFARS

52.204-04 PRINTED OR COPIED DOUBLE-SIDED ON POSTCONSUMER FIBER CONTENT PAPER (MAY 2011) FAR

52.204-07 SYSTEM FOR AWARD MANAGEMENT (OCT 2016) FAR

52.204-09 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011) FAR

52.204-13 SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (OCT 2016) FAR

52.204-16 COMMERCIAL AND GOVERNMENT ENTITY CODE REPORTING (JUL 2016) FAR

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992) DFARS

252.204-7004 ALTERNATE A, SYSTEM FOR AWARD MANAGEMENT (FEB 2014) DFARS

252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991) DFARS

52.208-09 CONTRACTOR USE OF MANDATORY SOURCES OF SUPPLY OR SERVICES (MAY 2014) FAR

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52.209-06 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR SUSPENSION (OCT 2015) FAR

252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY (OCT 2015) DFARS

52.211-17 DELIVERY OF EXCESS QUANTITIES (SEP 1989) FAR

252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (MAR 2016), ALT I (MAR 2016) DFARS

52.222-29 NOTIFICATION OF VISA DENIAL (APR 2015) FAR

52.225-14 INCONSISTENCY BETWEEN ENGLISH VERSION AND TRANSLATION OF CONTRACT (FEB 2000) FAR

252.225-7001 BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM (DEC 2016)

252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 2016) DFARS

252.225-7005 IDENTIFICATION OF EXPENDITURES IN THE UNITED STATES (JUN 2005) DFARS

252.225-7021 TRADE AGREEMENTS (DEC 2016) DFARS

252.225-7021 TRADE AGREEMENTS ALTERNATE II (DEC 2016) DFARS

252.225-7040 CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY U.S. ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES (OCT 2015) DFARS

252.225-7041 CORRESPONDENCE IN ENGLISH (JUN 1997) DFARS

252.227-7015 TECHNICAL DATA - COMMERCIAL ITEMS (FEB 2014), ALT I (DEC 2011) DFARS

252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 2016) DFARS

52.228-03 WORKERS COMPENSATION INSURANCE (DEFENSE BASE ACT) (JUL 2014) FAR

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52.232-17 INTEREST (MAY 2014) FAR

252.232-7003 ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS (JUN 2012) DFARS

252.232-7008 ASSIGNMENT OF CLAIMS (OVERSEAS) (JUN 1997) DFARS

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**Additional Procurement Language**

The following additional procurement language is also incorporated:

**RP001: DLA PACKAGING REQUIREMENTS FOR PROCURMENT****(1) Additional Packaging and Marking Requirements:**

- (a) Prohibited cushioning and wrapping materials. Use of asbestos, excelsior, newspaper, shredded paper (all types, including wax paper and computer paper) and similar hygroscopic or non-neutral materials and all types of loose-fill material, including polystyrene, is prohibited for application such as cushioning, fill, stuffing, and dunnage. In addition, the use of yellow wrapping or packaging material is prohibited except where used for the containment of radioactive material.
- (b) MIL-STD-129 establishes requirements for contractors that ship packaged material to the Government to provide both linear bar codes and two-dimensional (2D) symbols on shipping labels. Shipping labels with 2D symbols are referred to as Military Shipping Labels (MSL) and are required on all CONUS and OCONUS shipments with the following exceptions:
  - (1) Subsistence items provided through full-line food distributors (prime contractors), “market ready” type items shipped within the Continental United States (CONUS) to customers within CONUS;
  - (2) Any item for which ownership remains with the contractor until the item is placed in designated locations at the customer location prior to issuance to the customer. Government control begins upon placement of the item by the contractor into the designated location or issuance from the designated location by contractor personnel (i.e., the contractor is required to stock bins at the customer location and/or issue parts from a contractor controlled parts room).
  - (3) Bulk petroleum, oil and lubricant products delivered by pipeline, or tank car, tanker and tank trailer for which the container has a capacity greater than 450 L (119 gallons) as a receptacle for a liquid; a maximum net mass greater than 400 kg (882 pounds) and a capacity greater than 450 L (119 gallons) as a receptacle for a solid; or a water capacity greater than 454 kg (1000 pounds) as a receptacle for a gas.
  - (4) Medical items procured through Customer Direct suppliers or prime contractors that do not enter the Defense Transportation System.
  - (5) Delivery orders when the basic contract has not been modified to require MIL-STD-129.
- (c) Mil-STD-129 provides numerous illustrations of what should be bar-coded and the recommended placement of the bar code. Further information is available on the DLA Packaging Web Site at:  
<http://www.dla.mil/LandandMaritime/Offers/Services/TechnicalSupport/Logistics/Packaging.aspx>.

**(2) Requirements for Treatment of Wood Packaging Material (WPM)**

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- (a) Assets packed in or on wood pallets, skids, load boards, pallet collars, wood boxes, reels, dunnage, crates, frames, and cleats must comply with the Heat Treatment (HT) or Heat Treatment/Kiln Dried (HT/KD) (continuous at 56 degrees Centigrade for 30 minutes) standard in DoD Manual 4140.65-M “Compliance for Defense Packaging: Phytosanitary Requirements for Wood Packaging Material (WPM)”. WPM must be stamped or branded with the appropriate certification markings as detailed in DOD 4140.65-M and be certified by an accredited American Lumber Standards Committee (ALSC)-recognized agency. The WPM certification markings must be easily visible, especially in pallet loads, to inspectors.
- (3) Palletization shall be in accordance with **MD00100452, REVISION C, DATED 09/2016** found at: <https://www.dla.mil/LandandMaritime/Offerors/Services/TechnicalSupport/Logistics/Packaging/Palletization.aspx>.

(End of TQ Requirements)

## **RP001: DLA PACKAGING REQUIREMENTS FOR PROCURMENT**

### **(1) Additional Packaging and Marking Requirements:**

- (a) Prohibited cushioning and wrapping materials. Use of asbestos, excelsior, newspaper, shredded paper (all types, including wax paper and computer paper) and similar hygroscopic or non-neutral materials and all types of loose-fill material, including polystyrene, is prohibited for application such as cushioning, fill, stuffing, and dunnage. In addition, the use of yellow wrapping or packaging material is prohibited except where used for the containment of radioactive material.
- (b) MIL-STD-129 establishes requirements for contractors that ship packaged material to the Government to provide both linear bar codes and two-dimensional (2D) symbols on shipping labels. Shipping labels with 2D symbols are referred to as Military Shipping Labels (MSL) and are required on all CONUS and OCONUS shipments with the following exceptions:
  - (1) Subsistence items provided through full-line food distributors (prime contractors), “market ready” type items shipped within the Continental United States (CONUS) to customers within CONUS;
  - (2) Any item for which ownership remains with the contractor until the item is placed in designated locations at the customer location prior to issuance to the customer. Government control begins upon placement of the item by the contractor into the designated location or issuance from the designated location by contractor personnel (i.e., the contractor is required to stock bins at the customer location and/or issue parts from a contractor controlled parts room).
  - (3) Bulk petroleum, oil and lubricant products delivered by pipeline, or tank car, tanker and tank trailer for which the container has a capacity greater than 450 L (119 gallons) as a receptacle for a liquid; a maximum net mass greater than 400 kg (882 pounds) and a capacity greater than 450 L (119 gallons) as a receptacle for a solid; or a water capacity greater than 454 kg (1000 pounds) as a receptacle for a gas.



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- (4) Medical items procured through Customer Direct suppliers or prime contractors that do not enter the Defense Transportation System.
- (5) Delivery orders when the basic contract has not been modified to require MIL-STD-129.

(c) Mil-STD-129 provides numerous illustrations of what should be bar-coded and the recommended placement of the bar code. Further information is available on the DLA Packaging Web Site at:  
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(2) Requirements for Treatment of Wood Packaging Material (WPM)

- (a) Assets packed in or on wood pallets, skids, load boards, pallet collars, wood boxes, reels, dunnage, crates, frames, and cleats must comply with the Heat Treatment (HT) or Heat Treatment/Kiln Dried (HT/KD) (continuous at 56 degrees Centigrade for 30 minutes) standard in DoD Manual 4140.65-M “Compliance for Defense Packaging: Phytosanitary Requirements for Wood Packaging Material (WPM)”. WPM must be stamped or branded with the appropriate certification markings as detailed in DOD 4140.65-M and be certified by an accredited American Lumber Standards Committee (ALSC)-recognized agency. The WPM certification markings must be easily visible, especially in pallet loads, to inspectors.

- (3) Palletization shall be in accordance with **MD00100452, REVISION C, DATED 09/2016** found at:  
<https://www.dla.mil/LandandMaritime/Offers/Services/TechnicalSupport/Logistics/Packaging/Palletization.aspx>.

(End of TQ Requirements)

**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/non-competitive actions. The following price reasonableness and documentation requirements are applicable to all

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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.

## **SANITARY CONDITIONS**

### **(a) Food establishments.**

(1) All establishments and distributors furnishing subsistence items under DLA Troop Support contracts are subject to sanitation approval and surveillance as deemed appropriate by the Military Medical Service or by other Federal agencies recognized by the Military Medical Service. The Government does not intend to make any award for, nor accept, any subsistence products manufactured, processed, or stored in a facility which fails to maintain acceptable levels of food safety and food defense, is operating under such unsanitary conditions as may lead to product contamination or adulteration constituting a health hazard, or which has not been listed in an appropriate Government directory as a sanitarily approved establishment when required. Accordingly, the supplier agrees that, except as indicated in paragraphs (2) and (3) below, products furnished as a result of this contract will originate only in establishments listed in the U.S. Army Public Health Command (USAPHC ) Circular 40-1, Worldwide

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Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement, (Worldwide Directory) (available at: <http://phc.amedd.army.mil/topics/foodwater/ca/Pages/DoDAApprovedFoodSources.aspx> ). Compliance with the current edition of DoD Military Standard 3006A, Sanitation Requirements for Food Establishments, is mandatory for listing of establishments in the Worldwide Directory. Suppliers also agree to inform the Contracting Officer immediately upon notification that a facility is no longer sanitarily approved and/or removed from the Worldwide Directory and/or other Federal agency's listing, as indicated in paragraph (2) below. Suppliers also agree to inform the Contracting Officer when sanitary approval is regained and listing is reinstated.

(2) Establishments furnishing the products listed below and appearing in the publications indicated need not be listed in the worldwide directory. Additional guidance on specific listing requirements for products/plants included in or exempt from listing is provided in Appendix A of the worldwide directory.

(i) Meat and meat products and poultry and poultry products may be supplied from establishments which are currently listed in the "Meat, Poultry and Egg Inspection Directory," published by the United States Department of Agriculture, Food Safety and Inspection Service (USDA, FSIS), at <http://www.fsis.usda.gov/wps/portal/fsis/topics/inspection/mpi-directory> . The item, to be acceptable, shall, on delivery, bear on the product, its wrappers or shipping container, as applicable, the USDA shield and applicable establishment number. USDA listed establishments processing products not subject to the Federal Meat and Poultry Products Inspection Acts must be listed in the Worldwide Directory for those items.

(ii) Intrastate commerce of meat and meat products and poultry and poultry products for direct delivery to military installations within the same state (intrastate) may be supplied when the items are processed in establishments under state inspection programs certified by the USDA as being "at least equal to" the Federal Meat and Poultry Products Inspection Acts. The item, to be acceptable, shall, on delivery, bear on the product, its wrappers or shipping container, as applicable, the official inspection legend or label of the inspection agency and applicable establishment number.

(iii) Shell eggs may be supplied from establishments listed in the "List of Plants Operating under USDA Poultry and Egg Grading Programs" published by the USDA, Agriculture Marketing Service (AMS) at <http://www.ams.usda.gov/poultry/grading.htm>.

(iv) Egg products (liquid, dehydrated, frozen) may be supplied from establishments listed in the "Meat, Poultry and Egg Product Inspection Directory" published by the USDA FSIS at [http://apps.ams.usda.gov/plantbook/Query\\_Pages/PlantBook\\_Query.asp](http://apps.ams.usda.gov/plantbook/Query_Pages/PlantBook_Query.asp) . All products, to be acceptable, shall, on delivery, bear on the product, its wrappers or shipping container, as applicable, the official inspection legend or label of the inspection agency and applicable establishment number.

(v) Fish, fishery products, seafood, and seafood products may be supplied from establishments listed under "U.S. Establishments Approved For Sanitation And For Producing USDC Inspected Fishery Products" in the "USDC Participants List for Firms, Facilities, and Products", published electronically by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration Fisheries (USDC, NOAA) (available at: [seafood.nmfs.noaa.gov](http://seafood.nmfs.noaa.gov)). All products, to be acceptable, shall, on delivery, bear on the product, its wrappers or shipping container, as applicable, the full name and address of the producing facility.

(vi) Pasteurized milk and milk products may be supplied from plants having a pasteurization plant compliance rating of 90 percent or higher, as certified by a state milk sanitation officer and listed in "Sanitation Compliance and Enforcement Ratings of Interstate Milk Shippers" (IMS), published by the U.S. Department of Health and

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Human Services, Food and Drug Administration (USDHHS, FDA) at <http://www.fda.gov/Food/GuidanceRegulation/FederalStateFoodPrograms/ucm2007965.htm>. These plants may serve as sources of pasteurized milk and milk products as defined in Section I of the “Grade ‘A’ Pasteurized Milk Ordinance” (PMO) published by the USDHHS, FDA at <http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Milk/default.htm>.

(vii) Manufactured or processed dairy products only from plants listed in Section I of the “Dairy Plants Surveyed and Approved for USDA Grading Service”, published electronically by Dairy Grading Branch, AMS, USDA (available at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRD3651022> ) may serve as sources of manufactured or processed dairy products as listed by the specific USDA product/operation code. Plants producing products not specifically listed by USDA product/operation code must be Worldwide Directory listed (e.g., plant is coded to produce cubed cheddar but not shredded cheddar; or, plant is coded for cubed cheddar but not cubed mozzarella). Plants listed in Section II and denoted as “P” codes (packaging and processing) must be Worldwide Directory listed.

(viii) Oysters, clams and mussels from plants listed in the “Interstate Certified Shellfish Shippers Lists” (ICSSL), published by the USDHHS, FDA at <http://www.fda.gov/food/guidanceregulation/federalstatefoodprograms/ucm2006753.htm>.

(3) Establishments exempt from Worldwide Directory listing. Refer to AR 40-657/NAVSUPINST 4355.4H/MCO P1010.31H, Veterinary/Medical Food Safety, Quality Assurance, and Laboratory Service, for a list of establishment types that may be exempt from Worldwide Directory listing. (AR 40-657 is available from National Technical Information Service, 5301 Shawnee Road, Alexandria, VA 22312 ; 1-888-584-8332 ; or download from web site: [http://www.apd.army.mil/pdf/files/r40\\_657.pdf](http://www.apd.army.mil/pdf/files/r40_657.pdf) ) For the most current listing of exempt plants/products, see the Worldwide Directory (available at: <http://phc.amedd.army.mil/topics/foodwater/ca/Pages/DoDAApprovedFoodSources.aspx>).

(4) Subsistence items other than those exempt from listing in the Worldwide Directory, bearing labels reading “Distributed By”, “Manufactured For”, etc., are not acceptable unless the source of manufacturing/processing is indicated on the label or on accompanying shipment documentation.

(5) When the Military Medical Service or other Federal agency acceptable to the Military Medical Service determines the levels of food safety and food defense of the establishment or its products have or may lead to product contamination or adulteration, the Contracting Officer will suspend the work until such conditions are remedied to the satisfaction of the appropriate inspection agency. Suspension of the work shall not extend the life of the contract, nor shall it be considered sufficient cause for the Contractor to request an extension of any delivery date. In the event the Contractor fails to correct such objectionable conditions within the time specified by the Contracting Officer, the Government shall have the right to terminate the contract in accordance with the “Default” clause of the contract.

(b) Delivery conveyances.

The supplies delivered under this contract shall be transported in delivery conveyances maintained to prevent tampering with and /or adulteration or contamination of the supplies, and if applicable, equipped to maintain a prescribed temperature. The delivery conveyances shall be subject to inspection by the government at all reasonable times and places. When the sanitary conditions of the delivery conveyance have led, or may lead to product contamination, adulteration, constitute a health hazard, or the delivery conveyance is not equipped to

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maintain prescribed temperatures, or the transport results in product ‘unfit for intended purpose’, supplies tendered for acceptance may be rejected without further inspection.

(End of Text)

**FEDERAL FOOD, DRUG AND COSMETIC ACT-WHOLESALE MEAT ACT**

(a) The Contractor warrants that the supplies delivered under this contract comply with the Federal Food, Drug and Cosmetic Act and the Wholesome Meat Act and regulations promulgated there under. This warranty will apply regardless of whether or not the supplies have been:

- (1) Shipped in interstate commerce,
- (2) Seized under either Act or inspected by the Food and Drug Administration or Department of Agriculture.
- (3) Inspected, accepted, paid for or consumed, or any or all of these, provided however, that the supplies are not required to comply with requirements of said Acts and regulations promulgated there under when a specific paragraph of the applicable specification directs otherwise and the supplies are being contracted for military rations, not for resale.

(b) The Government shall have six months from the date of delivery of the supplies to the government within which to discover a breach of this warranty. Notwithstanding the time at which such breach is discovered, the Government reserves the right to give notice of breach of this warranty at any time within this six-month period or within 30 days after expiration of such period, and any such notice shall preserve the rights and remedies provided herein.

(c) Within a reasonable time after notice to the Contractor of breach of this warranty, the Government may, at its election:

- (1) Retain all or part of the supplies and recover from the Contractor, or deduct from the contract price, a sum the Government determines to be equitable under the circumstances;
- (2) Return or offer to return all or part of the supplies to the Contractor in place and recover the contract price and transportation, handling, inspection and storage costs expended therefore; provided, that if the supplies are seized under either Act or regulations promulgated there under, such seizure, at Government option, shall be deemed a return of supplies within the meaning of this clause and thereby allow the government to pursue the remedy provided herein. Failure to agree to any deduction or recovery provided herein shall be a dispute within the meaning of the clause of this contract entitled “Disputes”.

(d) The rights and remedies provided by this clause shall not be exclusive and are in addition to other rights and remedies provided by law or under this contract, nor shall pursuit of a remedy herein or by law either jointly, severally or alternatively, whether simultaneously or at different times, constitute an election of remedies.

(End of Text)

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**Authorized Negotiators**

The offeror represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposal. Please list names, titles, e-mail addresses, and telephone numbers for each authorized negotiator.

---

1. [REDACTED]  
Address: 108 West Walnut Street, Suite 221, Gardena, CA 90248

2. [REDACTED]  
Address: 108 West Walnut Street, Suite 221, Gardena, CA 90248

3. [REDACTED]  
Address: 108 West Walnut Street, Suite 221, Gardena, CA 90248

## Statement of Work

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ADDENDUM TO FAR 52.212-4 – Contract Terms and Conditions – Commercial Items

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<b>STATEMENT OF WORK</b>
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## I. INTRODUCTION

This contract involves support of customers in the Republic of Korea

The Defense Logistics Agency-Troop Support (DLA-Troop Support) has entered into a Fixed Price Indefinite Delivery Indefinite Quantity Contract (IDIQ), with Economic Price Adjustment (EPA), with a full line food distributor who will act as a Prime Vendor responsible for the supply and delivery of semi-perishable and perishable food items as well as non-food Food Service Operating Supply (FSOS) items. The Prime Vendor must be capable of supplying all chilled products, semi perishable food product, frozen fish, meat and poultry, other frozen foods (fruits, vegetables, prepared foods, etc.), dairy and ice cream products, fresh and frozen bakery products, beverage base & juices (for dispensers), beverages & juices (non- dispenser), fresh fruits and vegetables, non-food items and Government Furnished Material (GFM) such as Unitized Group Rations (UGR's,) Meals Ready to Eat (MRE's,) Health and Comfort packs (HCP's) and other operational rations items (either currently in existence or to be introduced during the term of this contract).

The Prime Vendor will be required to support all authorized DLA customers, located in Korea. Other customers, including non-Department of Defense (DOD) customers may also be added as required over the life of any resultant contract. As previously stated, these customers include military or other federally funded customers. Though the contract describes existing customers known to the Contracting Officer at the time of the contract's issuance, other customers, including military, DOD, or non-DOD, may be added as necessary during the life of any resultant contract. The addition of said customers located within the contract's specified region will be at no additional cost to the Government.

The Government intends to make one award. The contract shall be for a term of 60 months, with three separate pricing tiers. The first tier shall be for a 24-month period (inclusive of an up to 6-month ramp-up period followed by, at least, an 18-month performance period depending on the length of ramp-up). The second tier shall be an 18-month performance period immediately following the first tier. The third and final tier will be an additional 18-month performance period directly following the second tier. The price for all aspects of performance detailed in the Statement of Work ("SOW") below must be included in the offeror's fixed Distribution Price(s). Offeror's are reminded that fixed price type contracts place the maximum risk and responsibility for all costs, and resulting profit or loss, on the contractor. Distribution Price(s) will remain fixed for the life of the contract and an offeror's failure to consider the full cost of performance and/or the risks of performing in this region will not serve as a basis to adjust Distribution Price(s). As detailed below, Product Price(s) are distinct from the aforementioned Distribution Price(s) and therefore should not be included in any way in the latter.

### Notes:

- (a) The term "Ordering Facilities" or "Ordering Activities," as used throughout this contract, will refer to all of the delivery points under this contract.
- (b) The terms "contractor" and "Prime Vendor", as well as the terms "purchase order" and "delivery order" are used interchangeably throughout this Statement of Work.
- (c) Prices are to be submitted in an offeror's proposal, and payment will be made for performance under any resultant contract, in U.S. dollars.

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**II. ESTIMATED VALUE/GUARANTEED MINIMUM/MAXIMUM QUANTITY:**

ACQUISITION VALUE: The estimated dollar value of this contract is \$150,500,000.00. The maximum dollar value will be \$301,000,000.00 inclusive of all tiered pricing periods and surge. The guaranteed minimum for the entire contract will be ten percent (10%) of the estimated dollar value, which equates to \$15,050,000.00. The Government's legal obligation under this contract shall only be that of the guaranteed minimum.

**III. CONTRACT IMPLEMENTATION PHASE / TRANSITION PLAN**

The contract implementation phase is defined as a ramp-up and/or ramp down period which begins immediately after award and ends when each individual customer supported under the contract has placed its first order under the new contract.

**A. CONTRACT IMPLEMENTATION PHASE – RAMP UP**

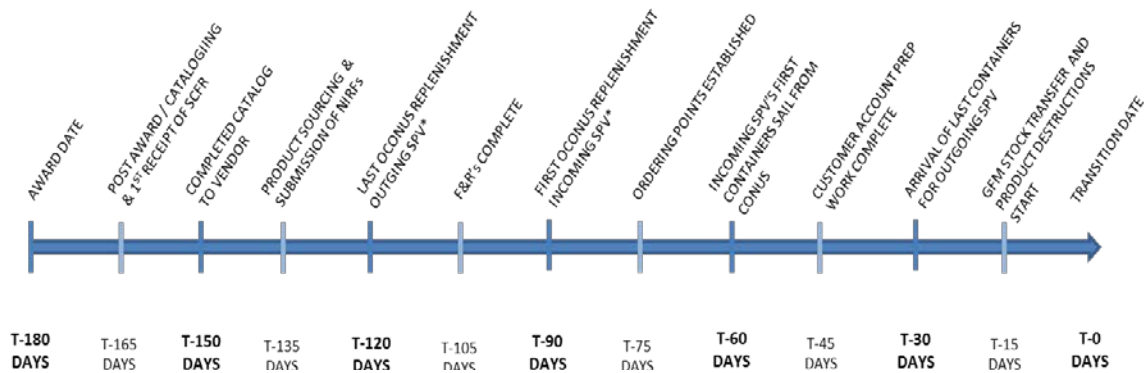
1. In the event that a follow-on contract is awarded to the incumbent contractor, the contract implementation phase will be utilized to establish fully functional catalogs in accordance with the terms and conditions of the new contract. The following terms shall apply:
  - i. Within six (6) months after award, the contractor shall be fully prepared to support all customers under the terms and conditions of the new contract. New and fully functional catalogs must be established during this time.
  - ii. The incumbent Prime Vendor shall first use existing inventory that is stored at its facility or in the pipeline prior to establishing the new catalog(s) for the follow-on contract. Any such items shall be placed on the new catalog(s) at the product price as defined by the prior contract and the distribution price as defined by the new contract. The Prime Vendor shall use the existing product before new product is ordered.
  - iii. New product that is ordered during the implementation phase shall only be ordered to replenish old product or to bring in new items requested and approved by the Government. This product must be ordered and cataloged at the product price defined by the new contract.
  - iv. Product prices shall be updated on the new catalogs in accordance with the terms and conditions of the new contract.
2. In the event that a follow-on contract is awarded to a firm other than the incumbent contractor, the contract implementation phase will be utilized to ramp-up the new Prime Vendor and ramp down the incumbent. Ramp up/down planning shall begin immediately after award. The ramp up/down process is expected to be completed within six (6) months after award. The following terms shall apply:

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- i. Within fifteen (15) days after the incumbent contractor is notified that it has not received the contract awarded pursuant to this solicitation, the incumbent contractor is expected to submit a proposed ramp-down schedule to the Contracting Officer. Upon receipt and after review and discussion, the Contracting Officer intends to provide the new Prime Vendor with the incumbent contractor's weekly Supply Chain Fitness Reports to aid forecasting levels and begin the ramp-up phase. This information will be provided to the new Prime Vendor for informational purposes only, and with no guarantees of demand, accuracy, or otherwise. The new Prime Vendor will remain responsible for making its own demand planning and procurement decisions during contract implementation at its own risk and cost.
- ii. It is estimated that the incumbent contractor will remain the principal source of food and non-food supplies for the first five months of the implementation period.
- iii. The incumbent Prime Vendor may have stocked product available for sale to the new Prime Vendor. If available, the new Prime Vendor is required to procure the available product offered for sale from the incumbent contractor. Any such sale shall be in accordance with the following terms and conditions. Any additional terms beyond those specified below must be agreed upon between the two parties and will be considered a commercial agreement separate from the requirements of this solicitation and resulting contract.
  - (a) In accordance with the average demand history for each item, quantities sold to the new Prime Vendor shall be a minimum of 1 months of stock (where available) and shall not exceed 8 months of stock, unless otherwise approved by the Contracting Officer, which would account for a total pipeline (stock on-hand and receipted replenishment quantities to include stock levels for surge and sustainment requirements). Products shall be sold to the new Prime Vendor at the "Product Price" as defined by Defense Logistics Agency Directive (DLAD) 52.216-9065 Economic Price Adjustment – Actual Material Costs for Subsistence Product Price Business Model). The estimated value for the maximum 8 months of stock (product price only) is \$15.4M. The new Prime Vendor shall request and obtain supporting invoice documentation from the incumbent contractor for all items purchased for traceability and price verification purposes.
  - (b) The new Prime Vendor shall inspect all products prior to accepting the product into its truck. The following products may be excluded from any required purchase transaction.
    - (a) Product that fails to meet minimum contractual requirements (i.e. proper storage, shelf life remaining, etc.);
    - (b) Product that does not have sufficient anticipated demand; and or
    - (c) Product that is sourced from Outside Contiguous United States (OCONUS) contractors (i.e. fresh fruits and vegetables, etc.)
  - (c) The new contractor shall be responsible for purchasing the residual stock unless one of the above exceptions apply.
  - (d) Once the new Prime Vendor and the incumbent Prime Vendor have agreed upon the products that will be purchased, the new Prime Vendor shall pick-up those products from the incumbent Prime Vendor's primary warehouse facility for inspection and acceptance.

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- (e) All products purchased by the new Prime Vendor at the “Product Price” as defined by DLAD 52.216-9065 Economic Price Adjustment – Actual Material Costs for Subsistence Product Price Business Model shall be used to establish fully functional catalogs under the new contract and provide initial support to the customers under the terms and conditions of the new contract. See below section - Prime Vendor 832 Catalogs.
- (f) The new Prime Vendor will only be entitled to 50% of its distribution price for product purchased from the incumbent Prime Vendor in accordance with this section and ultimately delivered to customers under the resulting contract.
- iv. All GFM, except for operational rations stored at the GOCO warehouse facility, that meets minimum contractual requirements shall be picked up by the new Prime Vendor at the incumbent Prime Vendor’s warehouse facility. GFM product shall be cataloged by the new Prime Vendor at a \$0 product price and the applicable distribution price for GFM in accordance with this section and ultimately delivered to customers under the resulting contract.
- v. It is the Government’s intent to have all orders placed and delivered under the new contract 5 months after award, however, the Government reserves the right to phase in customer ordering points when it is in the best interest of the Government.



## B. CONTRACT TRANSITION OUT– RAMP DOWN

- As part of this contract, the Prime Vendor will be required to participate in a contract ramp-down/transition out. DLA Troop Support anticipates that a follow-on contract will be awarded at least 6 months before the expiration of this contract to allow for a coordinated ramp-down of the existing contractor and ramp-up of the follow-on contractor. The Prime Vendor will be required to coordinate all aspects of its ramp-down with the Contracting Officer and provide a ramp-down schedule, if requested.

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2. During this ramp-down/transition out period, the Prime Vendor shall continue replenishment of all items to allow for sufficient stock on hand and in the pipeline to support the customer requirements at that time. The Prime Vendor shall submit Total Asset Visibility Reports and/or other supply chain information on a weekly basis to the Contracting Officer, or in the frequency otherwise requested. The Prime Vendor consents to the disclosure of this information to the follow-on contractor. The Prime Vendor may be required to sell the OCONUS inventory to the new contractor at the conclusion of the performance period. The Prime Vendor will be responsible for disposing of its remaining residual stock that is not ultimately purchased by the follow-on contractor. The Prime Vendor is responsible for all costs associated with that residual product, including disposal costs (i.e. product price, distribution price, etc.).
3. DLA Troop Support anticipates that the Prime Vendor will remain the principal source of food and non-food supplies for the first several months of any follow-on contract's implementation phase. During this period, the Prime Vendor shall maintain its contractually required fill-rate. Notwithstanding other provisions of solicitation, performance failure during the follow-on contract implementation phase, just as during other periods of performance, may result in termination for cause and/or the Prime Vendor receiving administrative admonishment via negative past performance ratings in the Contract Performance Assessment Reporting System (CPARS) record, and/or any other remedy available to the Government.

#### IV. PRODUCT SOURCING AND PRICING

##### A. PRICE DEFINITIONS AND PROVISIONS

1. Reference DLAD 52.216-9065 ECONOMIC PRICE ADJUSTMENT – ACTUAL MATERIAL COSTS FOR DLA TROOP SUPPORT – SUBSISTENCE PRODUCT PRICE BUSINESS MODEL for pricing details.

2. In reference to DLAD 52.216-9065, paragraph (b)(3):

*““Product price” is the most recent DLA Troop Support MPA price or the most recent manufacturer, grower or private label holder commercial price per unit to the Contractor, exclusive of standard freight.*

*(i) Exceptions:*

*(A) Fresh fruits and vegetables (FF&V):*

*(1) The product is listed in the distribution category for Prime Vendor fresh fruits and vegetables (FF&V)) {10} and {14}*

*(2) It is necessary for the product to be transported into the local market of the importer, as otherwise approved under the contract, from a foreign country because local supply does not exist or it is insufficient to meet demand requirements; and*

*(3) The importer that establishes the product price is the firm that actually performs the FF&V import service, including, but not limited to: procurement, storage, consolidation, pallets, and palletizing as it applies to the importer’s normal commercial sales, and the importer has comparable commercial sales in the market that is the point of import.*

*(B) A contiguous United States (CONUS) based manufacturer, grower or private label holder’s product pricing which is a national price\*\* inclusive of transportation costs to a Distribution Point shall be supported by documentation and may be considered by the Government on a case by case basis, upon concurrence of the Contracting Officer.*

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**\*\*** The contracting officer may, on a case by case basis, accept a CONUS based manufacturer/grower/private label holder's product pricing which is a national priced. National Pricing is further clarified as a CONUS based manufacturer, grower or private label holder's product price, inclusive of transportation costs to a SPV CONUS distribution point. In general, the Contracting Officer will consider national pricing only for items that are sold nationally, have comparable commercial sales, and when the manufacturer/grower/private label holder's commercial practice is to offer pricing only on a nationally priced basis (i.e. a fixed price that is f.o.b. destination to any CONUS location). The contracting officer has the sole discretion to determine whether to accept national pricing, and the contracting officer's decision whether to accept national pricing will be final.

*(C) Mandatory source items: The product price shall be limited to the nonprofit agency's price for product as set in accordance with applicable law. The product price shall be based on f.o.b. origin/nonprofit agency. (Prices set in accordance with applicable law (f.o.b. origin/nonprofit agency).)*

*(D) Prime Vendor table displays/decorations only: For products listed in category [N/A] Prime Vendor table displays/decorations only, the product price shall be based on f.o.b. origin/point of the manufacturer's distributor because the manufacturer will not sell directly to the Prime Vendor. This exception must be approved by the Contracting Officer on a case by case basis. Support documentation is required.*

*(E) A CONUS-based redistributor's price for a specific manufacturer's product (also known as a stock keeping unit (SKU)) may be considered by the Government as long as the redistributor's price for the quantity ordered is equal to or lower than the manufacturer's published price inclusive of discounts/allowances. This exception must be approved by the Contracting Officer on a case by case basis. Support documentation may be required."*

3. In reference to DLAD 52.216-9065, paragraph (b)(5):

*““Distribution price(s)” means the firm fixed price portion of the Contract unit price, offered as a dollar amount per unit of measure, rounded up or down to the nearest cent. The distribution price is the only method for the Contractor to bill the Government for all aspects of contract performance other than product price, including but not limited to, the performance requirements of this statement of work (SOW). As detailed above in paragraph (2) of this clause, product price is distinct from and not to be included in the distribution price. Due to solicitation specific requirements, the distribution price may be further segregated to reflect discrete solicitation specific performance arrangements/requirements as outlined in the SOW; i.e., standard distribution price and non-standard distribution price or normal distribution price and premium distribution price or other. On account of their unique solicitation specific nature, these requirements, when applicable, are addressed in the SOW. As detailed above in paragraph (2) of this clause, product price is distinct from and not to be included in the*



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*distribution price.”*

4. Pricing will be based on the following formulas:

$$\text{Contract Unit Price} = \text{Product Price} + \text{Distribution Price}$$

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## B. DISTRIBUTION CATEGORIES

1. The supplies and services to be procured and/or performed under this contract have been broken down into the following 26 distribution categories. See attachment 2, tab “Distribution Category Worksheet” and the addendum to FAR 52.212-1 “Instruction to offerors commercial items” herein for detailed price submission requirements.

Cat. #	Category Description	Unit of Measure
1	CONUS DRY CS	CS
1A	CONUS DRY CS (For Product Price Exceptions B, C, D, or E)	CS
2	CONUS DRY CO (UOM for EA = 1 CO)	EA
2A	CO)	EA
3	CONUS FZN CS	CS
3A	CONUS FZN CS (For Product Price Exceptions B, C, D, or E)	CS
4	CONUS FZN LB	LB
4A	CONUS FZN LB (For Product Price Exceptions B, C, D, or E)	LB
5	CONUS CHILLED CS	CS
5A	CONUS CHILLED CS (For Product Price Exceptions B, C, D, or E)	CS
6	OCONUS DRY CS	CS
7	OCONUS FZN CS	CS
8	OCONUS CHILLED CS	CS
9	OCONUS CHILLED LB	LB
10	OCONUS FF&V LB (For Product Price Exception A)	LB
11	OCONUS Water CS (Potable - Bottled)	CS
12	Disposal (Incl. Trans; Approved at the Contracting Officer's Discretion)	CS
13	Restocking Price for Orders Over \$10K (Approved at the Contracting Officer's Discretion)	CS
14	CONUS FF&V LB	LB
15	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (Single Case/Box) CS	CS
16	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (2 Cases per Module) EA = 2 cases	EA
17	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (3 Cases per Module) EA = 3 cases	EA
18	GFM Inspection, Storage, Rework, Relabel, Distribution, FZN CS	CS
19	Food Service Operating Supplies (FSOS) (Non-Food) CS	CS
20	Food Service Operating Supplies (FSOS) (Non-Food) EA	EA
21	Emergency Orders > 5 per month (Approved at the Contracting Officer's Discretion) (UOM of EA = one (1) Emergency STORES Purchase Order)	EA

2. No substitutions, deletions, or additions to the categories or units of measure indicated above are authorized. However, if any offeror feels that a substantial category has been eliminated, the offeror must bring it to the attention of the Contracting Officer at least 15 days BEFORE the solicitation closing date. A determination will be made at that time whether or not to add the category via an amendment to the solicitation.

3. Product price is distinct from and not to be included in the distribution price. The distribution price may be further segregated into pricing segments covering discrete, solicitation-specific performance requirements.

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### C. DOMESTIC ITEM PREFERENCE

1. In accordance with United States Government's policy to acquire domestic end products for use outside the United States (see DFARS 225.7501) the Government's preference under this solicitation remains for domestic product. All offerors, as well as the resulting Prime Vendor, must certify at the time of proposal or contract performance the offering of all non-domestic end products. The certification must be made in the Buy American Act – Balance of Payments Program Certificate (DFARS 252.225-7000) which is located herein.
2. The source restrictions of the Berry Amendment, 10 U.S.C. 2533a as implemented in DFARS 225.701 and 252.225-7012 and included in this solicitation, are applicable to the procurement of food items. In general, the Berry Amendment requires that food items procured and delivered under this contract be grown, manufactured, reprocessed, or produced in the United States. Several exceptions to that requirement may apply to performance under this contract. One such exception, the "perishable foods" exception, can be found at DFARS 225.7002-2(e). That exception permits the delivery of perishable foods (i.e. fresh fruits and vegetables ("FF&V"), fresh milk, fresh bread, etc.) that are not sourced from the United States. This exception applies to deliveries to customers throughout the region (i.e. Korea). As such, this solicitation includes requirements for local market ready items, i.e. locally sourced FF&V, fresh milk, fresh bread, etc. The Prime Vendor must be able to locally source, purchase and/or perform deliveries for highly perishable products. Please note that even with these exceptions, it is still the Government's preference to provide domestic items to the maximum extent possible. Please propose accordingly.
3. The Prime Vendor shall request approval, in writing, from the Contracting Officer prior to adding any non-domestic items to the ordering catalogs. The Prime Vendor must submit pricing information for the foreign product and its domestic equivalent so that the government can perform an analysis in keeping with the Balance of Payments Program. Non-domestic items will not be added to the catalog without the prior approval of the Contracting Officer. Note: As discussed above, local market ready items that are required to be purchased from local OCONUS approved sources are excluded from this domestic item preference.
4. In some instances, the Contracting Officer may direct the Prime Vendor to source a domestic equivalent item locally at no additional cost to the Government. In this case, the associated Local Market Ready Distribution Price Category 6, 7, 8, 9, 10, or 11 shall be utilized.

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**D. LOCAL MARKET READY (LMR) ITEMS:**

1. The Prime Vendor must have the ability to procure and perform delivery of the local market ready items; i.e., fresh fruits and vegetables (FF&V); local, perishable, ethnic foods; fresh dairy; and fresh baked product from local approved sources within the Republic of Korea.
2. Based on customer requirements reflected during cataloging, the Prime Vendor will select local market ready (LMR) vendors from the PACOM listing of Sanitarily Approved Establishments and/or the Worldwide Directory of Sanitarily Approved Establishments for Armed Forces Procurement listing for approved local Republic of Korea contractors. If no vendor is identified for a particular requirement, the vendor will source and request Veterinary (VET) or United States Army Public Health Command (USAPHC) inspection for his designated local source. All LMR items will be inspected for quality on receipt. Supplier audits are conducted in coordination with VET or USAPHC procedures. The contractor shall verify that its contractors are approved on the listings.
3. Estimated market ready items and their usage quantities are identified in the schedule and are included in the total estimated annual sales dollars.
4. FF&V items that are unavailable in the Korean Local Market or hearty enough to meet shelf-life requirements when delivered to the customer; i.e., red apples, golden/yellow apples, pears, russet potatoes and various specialty FF&V items that are required for holidays, must be purchased by the Prime Vendor from sources within the Continental United States (CONUS) and shipped via the Defense Transportation System (DTS).

All FF&V that is shipped by the Prime Vendor via the DTS must be shipped to the DLA Pacific Freight Forwarding Vendor, who is required to deliver the product to the Prime Vendor's facility in Korea. When this contract is awarded, the OCONUS Prime Vendor facility will be added to the Freight Forwarding Contract as a delivery point. Information regarding the Freight Forwarding Contract and Contract Holder will be provided to the Prime Vendor post award. The Freight Forwarding Contract Holder is responsible for: FF&V agriculture clearance; FF&V customs clearance; FF&V Army Vet inspections; FF&V stripping, sorting and stuffing; FF&V destruction (when/as needed); FF&V re-work of moldy/damaged produce; and cold storage warehousing.

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## **E. DIRECT VENDOR DELIVERIES WITHIN KOREA**

Customers under this solicitation may require direct vendor deliveries for certain items (e.g., FF&V, water, bakery, soda, etc.) from approved local Korean sources. The Prime Vendor shall sub-contract with the approved Korean source(s) to fulfill these direct vendor delivery requirements.

When the Prime Vendor utilizes sub-contractors to perform direct vendor delivery services to the customers under this solicitation, the following price formula shall apply:

$$\text{Contract Unit Price} = \text{Product Price} + 50\% \text{ of the Distribution Price}$$

Categories 6, 7, 8, 9, 10, and 11 are subject to this pricing. This reduction will be accomplished by reducing the existing distribution price category by 50% and submitting an 832 Price Change that reflects the reduced price. It will be the Prime Vendor's responsibility to notify the Contracting Officer if the subcontractor changes and is no longer a direct delivery.

## **F. BRAND NAME ITEMS**

1. Based on the ordering habits of the customers listed in this solicitation, the current Market Basket includes numerous Brand Name items. These are items whose manufacturers have offered the Government a discount under the NAPA Program, and which the customers have expressed a preference for, and shall be included in the catalog at the customer's request. This does not preclude future catalog changes during the life of the contract to add competing products based on added value to the customer. Changes or additions in brand name products must be approved and authorized by the customer.

Note: For information on NAPA items holders and holders, refer to the following website: (National Allowance Program Agreement):  
<http://www.dla.mil/TroopSupport/Subsistence/FoodServices/mpanapa.aspx>

2. Contractors are required to submit pricing on the specific Brand Name items listed in the Market Basket, if applicable.

## **G. NATIONAL CONTRACTS**

During the performance of this contract, DLA Troop Support may issue Indefinite Delivery Type Contracts ("IDTCs") for specific food items to be distributed by the Prime Vendor. The Prime Vendor will be required to obtain the specific products identified in the IDTCs from the sources identified by the Government. The price charged by the Prime Vendor to the ordering activity will not exceed that cited in the IDTC, plus the Prime Vendor's applicable distribution price. At the time of award and at other times when applicable, DLA Troop Support will provide the Prime Vendor with a list of all IDTCs awarded and their respective terms and conditions. The Prime Vendor shall have 30 days within which to implement the terms and conditions of the awarded IDTCs. DLA Troop Support currently has a National Contract in place for the acquisition of chicken items and DLA Troop Support intends to put other categories of protein items onto central contracts.

**H. DLA TROOP SUPPORT MANUFACTURER’S PRICING AGREEMENT PROGRAM:**

1. A DLA Troop Support Manufacturer’s Pricing Agreement (MPA) Program has been developed to maximize the leverage of DLA Troop Support’s buying power and to obtain fair and reasonable product pricing under Subsistence Prime Vendor contracts for the customers of DLA Troop Support. The agreements between DLA Troop Support and manufacturers shall identify a fixed product price for specific items that will be cataloged by the contractor. The contractor will be responsible for purchasing MPA items from the MPA holders at the product price established by the MPA.
2. The list of MPA holders, the specific items under agreement, and the fixed product prices for those items will be provided during contract implementation (ramp-up/ramp-down).
3. The awardee will be required to establish commercial agreements with the MPA holders for all MPA items cited for cataloging during the ramp-up/ramp-down phase of the contract. As the program continues to grow, it is anticipated that 75 to 80 percent of the contract product price dollar value will be under agreement. This percentage pertains only to product shipped from CONUS manufacturers / consolidators, and does not include product such as Local Market Ready and water items, which are locally sourced. Currently, approximately 40% of the contract product price dollar value is under agreement.
4. Post implementation, the contractor must have a MPA Holder commercial agreement in place before a new MPA item may be added to the contractor catalog. For existing cataloged items that are added to the MPA Program, the contractor must establish the MPA Holder commercial agreement within 30 days of Contracting Officer notification. The contractor shall immediately bring to the attention of the Contracting Officer the names of MPA Holder(s) unwilling or unable to enter into a commercial agreement with the contractor with an explanation for each. All MPA items are required to be placed on the contractor catalog at the MPA established price, unless otherwise approved by the Contracting Officer.
5. It is anticipated that MPA prices will remain fixed for a minimum of 30 days and a maximum of six months. Updated MPA listing will be issued to the contractor monthly via email. The new MPA product prices shall be updated on the contractor catalog during the scheduled catalog update that immediately follows receipt of the new product into the contractor’s inventory.
6. Information about the DLA Troop Support Manufacturer’s Pricing Agreement (MPA) Program is located at the following website:  
<http://www.dla.mil/TroopSupport/Subsistence/FoodServices/mpanapa.aspx> .

**I. MANDATORY ITEMS (MANDATORY FOOD PRODUCTS AND NON-FOOD ITEMS)**

1. The website for general information, Mandatory Food and Non-Food Items is:  
<http://www.dla.mil/TroopSupport/Subsistence/FoodServices/mpanapa.aspx>
2. Certain supplies or services to be provided under this contract for use by the Government are required by law to be obtained from nonprofit agencies participating in the program operated by the Committee for Purchase From People Who Are Blind or Severely Disabled (the Committee) under the AbilityOne, formerly known as Javits-Wagner-O’Day Act (JWOD) (41 U.S.C. 46- 48c).

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3. The mandatory products are required to be purchased from the Non Profit Agency manufacturers listed on the website as identified above. The listing of required mandatory products and Non Profit Agency manufacturers are subject to change when directed by the Committee. The contractor is required to expeditiously catalog the mandatory products and remove any commercial equivalent product with “essentially the same” product characteristics. If the removal and replacement will take longer than 30 days after notification by the Contracting Officer, the approval of the Contracting Officer must be obtained for the extension.
4. Any other commercial equivalent product with “essentially the same” product characteristics cannot be sold to the DLA Troop Support customers under this contract.
5. The contractor must ensure that, at a minimum, 60 days stock of mandatory products are on hand to satisfy anticipated customer demand taking into account lead times for delivery from the designated mandatory source to the contractor. If a contractor is notified that any of the below products are not available from the designated mandatory source, the contractor must notify the Contracting Officer immediately.
6. The contractor is not authorized to submit catalog changes containing other commercial equivalent products with “essentially the same” product characteristics as the identified mandatory items.
7. If the contractor is requested to carry other commercially equivalent product with “essentially the same” product characteristics but with a unique packaging requirement that is not currently provided by the mandatory source, the contractor must notify the mandatory source and the Contracting Officer in order to provide the designated mandatory source with the opportunity to satisfy the unique packaging requirement being requested. Included in the contractor notification to the designated mandatory source and Contracting Officer, will be the customer’s justification for the unique packaging requirement.
8. Price and delivery information for the mandatory products are available directly from the Designated Sources listed on the website. Payments shall be made directly to the Designated Source making delivery. The current procurement list F.O.B. Origin prices as established by the Committee for Purchase are included in the website for the food and non-food products.
9. To allow the proper flow of order and billing information through the DOD ordering, financial, and other operating systems, stock numbers have been assigned for individual containers where necessary to permit the sale of individual containers in lieu of case quantities.
10. All changes to the DLA Troop Support Subsistence Prime Vendor Ability One Mandatory Products List (MPL) will be made on the DLA Troop Support Subsistence Ability One webpage.
11. The DLA Troop Support Subsistence Prime Vendor Ability One MPL webpages will be updated for the following changes in: prices, ordering information, contractor locations, items (additions and deletions), Ability One Approved contractors and purchase exceptions.
12. Prime Vendor contractors will be notified via e-mail. The e-mail notification will identify the changes to the MPL and alert the Prime Vendor contractors to check the DLA Troop Support

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Subsistence Ability One Program webpage. Additionally, changes to the MPL will be bolded for easy identification. Prime Vendor contractors shall confirm receipt of this e-mail notification.

13. In certain circumstances, there may be a delay in posting and/or email notification to the Prime Vendor. In such circumstances, an MPL provider may provide the Subsistence Prime Vendor with a notification letter from the AbilityOne Commission, issued on AbilityOne Commission Letterhead, as proof of an applicable price or other change. The Subsistence Prime Vendor shall treat such notification from the AbilityOne Commission as if the notification had been provided by DLA Troop Support.

14. DLA Troop Support Subsistence Prime Vendors are required to expeditiously catalog the mandatory products and remove any commercial equivalent product with “essentially the same” product characteristics. For CONUS Prime Vendors, if the removal and replacement will take longer than 30 days after notification by the Contracting Officer, the Prime Vendor must provide the Contracting Officer with details for the delay. For OCONUS Prime Vendors, within 30 days of notification by the Contracting Officer the OCONUS Prime Vendor must provide the Contracting Officer with current details of issues (outstanding orders, product in the ‘pipeline, etc.) and provide the date when the catalogs will be updated. Contracting Officers will notify the Subsistence Ability One Team.

15. Any other commercial equivalent product with “essentially the same” product characteristics cannot be sold to the DLA Troop Support customers under this contract. The contractor is not authorized to submit catalog changes containing other commercial equivalent products with “essentially the same” product characteristics as those items on the MPL.

16. The following criteria should be used in determining if a commercial product is “essentially the same” as an Ability One MPL item:

- i. It has effectively the same form, fit and function.
- ii. The Ability One and commercial products may be used for the same purpose.
- iii. The Ability One and commercial products are relatively the same size and a change in size will not affect the use or performance.
- iv. The appearance, color, texture, or other characteristic of the Ability One product and commercial product are not significantly different from one another

17. The only potential exception to this requirement is identified as follows:

If the Prime Vendor is requested to carry items commercially equivalent to MPL items but with unique packaging requirements provided by the supplier but not currently provided by the MPL source, the Prime Vendor must notify the Contracting Officer. Contracting Officers will notify the Subsistence Ability One Team.

18. Payments shall be made directly to the MPL designated source.

19. Monthly MPL Compliance Reports are issued for each active Prime Vendor catalog. The monthly MPL Compliance Reports are sent to each Prime Vendor for each of their catalogs and to each administering Contracting Officer. These reports are to be reviewed to ensure active catalogs include



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the MPL items. Prime Vendor contractors will be notified of non-compliances.

## **J. NATIONAL ALLOWANCE PROGRAM AGREEMENT (NAPA)**

### **1. Definitions:**

- i. Agreement Holder: The supplier or manufacturer that has agreed to offer discounts to DLA Troop Support on product under DLA Troop Support Subsistence Prime Vendor contracts.
- ii. National Allowance Program: The program implemented by the DLA Troop Support to maximize the leverage of DLA Troop Support's buying power and reduce the overall product price under contracts to the customers of DLA Troop Support.
- iii. National Allowance Program Agreements (NAPAs): The agreements between DLA Troop Support and suppliers/manufacturers that identify product category allowances. These allowances or discounts apply only to the product/invoice price of the product. The NAPA does not affect the contractor's distribution price in any way.

2. DLA Troop Support has implemented a NAPA Program as part of the Subsistence Prime Vendor Program. Under the NAPA Program, DLA Troop Support will enter into agreements with suppliers/manufacturers offering domestic products. The DLA Troop Support NAPA Program is located at the following website:

<http://www.dla.mil/TroopSupport/Subsistence/FoodServices/mpanapa.aspx>

3. Under the NAPA Program, agreement holders will:

- i. Authorize and consent to allow the contractor(s) to distribute its products to ordering activities under the Subsistence Prime Vendor Program.
- ii. Offer discounts on the product price of the product ordered under Subsistence Prime Vendor contracts, in the form of deviated allowances, whereby the price to the customer includes the discount. The deviated price is the price that will be submitted via the 832 catalog transaction.

4. NAPAs neither obligate the contractor to carry, nor the ordering activity to purchase, any of the agreement holder's products; however, NAPA terms will apply to any order placed by the customer for products covered by a NAPA, in which case the invoice price must reflect the NAPA.

5. If a contractor has a pricing agreement/arrangement with more favorable terms and/or pricing structure, then it is required to pass on these savings to the customer.

6. Under a contract resulting from this solicitation:

- i. The contractor agrees to bill the invoice price to the Government as specified by the NAPA allowance and initiates a bill-back to the agreement holder, if any activity orders any product covered by a NAPA. The agreement holder will reimburse allowances to the contractor within a time period mutually agreeable to the contractor and the agreement holder. Other off invoice or bill back arrangements may exist between the contractor and the agreement holder, but the

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contractor catalog price must be specified by the NAPA allowance.

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ii. Any disputes involving the NAPA between the contractor and the agreement holder will be resolved between them according to their own commercial practice. However, DLA Troop Support will attempt to facilitate any such disputes.

7. NAPA Tracking Program: The contractor agrees to comply with the requirements of DLA Troop Support's Tracking Program for NAPAs and shall provide the required product information to support the NAPA allowance and sales tracking website. Data shall be submitted as follows:

i. The NAPA Program is for the exclusive use of DLA Troop Support customers purchasing product under the resultant contract.

ii. Format: The required information shall be formatted in an Excel spreadsheet, flat ASCII file or a delimited file. Each transmission must be of the same format. Request to change from one format to another must be forwarded to the Contracting Officer for approval.

ii. Transmission of Data: The information shall be submitted electronically via-Email to data@one2oneus.com Include contract number(s) in email title.

iv. Frequency of Submission: The information shall be submitted as often as the data may change but no more than weekly.

v. Contents of the data File: The contents of the data file shall include the information shown below for all of the products, NAPA and non-NAPA that are shipped to the Government. All of the fields for each item must be populated with information unless otherwise stated.

Field Number	Field Description	Field Name	Width	Format	Note
1	Prime Vendor Part Number	PVPARTNO	15	Alpha-Numeric	
2	Product Description	DESC	45	Alpha-Numeric	
3	Unit of Measure	UOM	03	Alpha-Numeric	
4	Manufacturer SKU or UPC	MFGNO	15	Alpha-Numeric	Note 1
5	Brand Label or Manufacturer Name	MFG	45	Alpha-Numeric	Note 2
6	Unit Allowance Amount	ALLOW	12	999999.99	Note 3
7	Allowance UOM	ALLUOM	03	Alpha-Numeric	Note 4
8	Allowance to Ship Conversion	ALLCONV	12	999999.99	Note 5
9	Prime Vendor Markup Amount	PVMARKUP	12	999999.99	Note 6

vi. Fields 6, 7, and 8 relate to NAPA. If a product is NOT subject to a NAPA allowance then fields 6, 7, and 8 can be left blank or zero.

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vii. Notes:

1. Field #1 - This field represents the manufacturer's part number of the product. If a valid case UPC is available, you should use the case UPC. The UPC check digit is optional. In the case where a UPC is not available, then you must use the manufacturer's part number (SKU number) as designated by the manufacturer. All leading zeros are required. All characters such as dashes are also required if the manufacturer uses the character in their part number identifier.
2. Field #4 - This field needs to identify the manufacturer (not necessarily the supplier) of the product. If your item master has a valid case UPC and you send the UPC in field 4 there is no need to provide this field. If you do not have a valid case UPC, please indicate the manufacturer or brand name or some code indicating the same. If you use a code please provide an additional listing of those codes and their description. Please note, this is the manufacturer of the product not necessarily who supplied you the product.
3. Field #6 - This is the off-invoice allowance amount. It can be found in the NAPA table. If the product is not subject to a NAPA allowance then please set this field to zero.
4. Field #7 - This is the allowance UOM. It can be found in the NAPA table. If the product is not subject to a NAPA allowance then please leave this field blank.
5. Field #8 - Conversion to the Unit of Issue UOM. The conversion factors to equalize the allowance UOM to the unit of issue UOI. For example, if the unit of issue UOI is "CS", for case, and the allowance UOM is "CS", for case, the conversion factor would be set to 1. However, in the case where the Unit of Issue is "CS" and the allowance UOM is "LB", for pounds, this conversion factor may be fifty (50) because there are 50 lbs in a case. If the product is not subject to a NAPA allowance then please set this field to zero.
6. Field #9 - For each item, provide the applicable markup amount. As previously negotiated with DLA Troop Support, you have assigned a markup amount to each food category or to each item. This amount should correspond to the unit of issue measurement. This is required in order to insure that a NAPA allowance was provided off-invoice.

**K. REBATES/DISCOUNTS AND PRICE-RELATED PROVISIONS**

1. The contractor shall employ prevailing commercial methods in the pursuit of discounts, rebates, allowances or other similar economic incentives or benefits, for the customers supported under this contract, throughout the period of performance. For all items, the contractor warrants, on a continuing basis throughout the period of performance, that its product price under this contract is equal to or lower than its product price to its comparable commercial customer accounts. All NAPA discounts, food show discounts, early payment discounts (except as identified in paragraph (2) herein), and other discounts, rebates, allowances or other similar economic incentives or benefits received by the Contractor at any time during the period of performance shall be passed to the Government via a reduced catalog price. Instructions for identifying discounts, rebates, allowances or other similar economic incentives or benefits that shall be provided to the Government are set forth in the submission requirements in the Business Proposal/Pricing and in the Management Reports section of the Statement of Work.

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2. The contractor may retain Early Payment discounts that meet the following conditions:

- i. the Early Payment discount is an incentive to encourage payment earlier than the normal payment due date;
- ii. the Early Payment discount is consistent with commercial practice
- iii. the Early Payment discount is routinely given by the manufacturer/growers to customers other than the contractor at the same discount rate and under the same conditions as provided to the contractor;
- iv. the Early Payment discount is not established, requested, or negotiated for the purpose of avoiding giving DLA Troop Support a lower cost or a rebate or in exchange for a higher invoice price;
- v. the Early Payment discount is no more than 2 percent of the manufacturer/grower's invoice price and the early payment is required within 10 days to obtain the discount; and
- vi. the Prime Vendor actually made the required payment within the time period required to receive the discount.

3. Upon request the Prime Vendor shall provide to the Government any invoices, quotes, or agreements relevant to the product price component for existing catalog items, for any new items being added to the catalog, and for requested price changes to existing catalog items. The Prime Vendor must include detailed payment terms on each invoice or quote used to substantiate product price(s), including any applicable discounts or rebates. If there are no payment terms associated with the document, the Prime Vendor must annotate it with "No payment terms."

4. The government may require (as needed) the contractor submit invoices and other documentation from all subcontractor tiers or any manufacturer/grower or person in the product price supply chain, to substantiate that all discounts, rebates, allowances or other similar economic incentives or benefits have been applied to the product price charged to the Government and/or to substantiate that product prices under this contract are equal to or lower than product prices that are given to its commercial customers. If the Contracting Officer determines, after reviewing an invoice or other documentation, that a discount, rebate, allowance or other similar economic incentive or benefit should have been passed on to the Government, or if price verifications reveal any instance of overpricing or underpricing, the Government shall be entitled to a prospective product price reduction and a retroactive refund for the amount of the overcharges or discounts, rebates, allowances or other similar economic incentives or benefits, including interest and the contractor shall be entitled to a credit for any undercharges. Likewise, if the Contracting Officer determines that a product price was not equal to or lower than that given the contractor's commercial customer accounts, the Government shall be entitled to a prospective product price reduction and a retroactive refund for the difference between the product price charged to the Government and the product price charged to the contractor's commercial customers, including interest. The Contracting Officer, or authorized representative, shall have the right to examine and audit all the Contractor's records (as defined at FAR 52.215-2(a)) relevant to the

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existence of discounts, rebates, allowances or other similar economic incentives or benefits, and commercial customer product prices. Failure to exercise this right shall not constitute a defense or alter the Government's entitlement to any other remedies by contract or by law.

5. The Government may review/audit the Prime Vendor's electronic purchasing system to confirm that the product price of a product sold at a given time to a DLA Troop Support customer is identical to the product price used by the Prime Vendor to determine the price of such product sold at the same time to its other customers. Should the Government identify evidence of incorrect pricing, or should other pricing issues arise, the Government reserves the right to conduct more frequent and extensive reviews/audits. Failure to exercise this right shall not constitute a defense or alter the Government's entitlement to any other remedies by contract or by law.

#### **L. ITEM AVAILABILITY**

1. Items must be stocked in sufficient quantities to fill all ordering activity requirements. Fluctuations, increases, decreases, and surges in demand must be taken into consideration when the Prime Vendor determines its supply chain management, including stocking procedures. Also, lead times from CONUS to OCONUS must be considered.

2. If an item with an established demand is not properly managed by the vendor, a not in stock (NIS) situation occurs, and the item is projected to be out of stock for more than 21 days, the Prime Vendor will be required to airlift the product from CONUS at its own expense.

#### **M. SURGE AND SUSTAINMENT**

1. The primary mission of the Defense Logistics Agency (DLA) is to support the military in peace and during contingencies. The ability to ramp-up quickly to meet early requirements, and to sustain an increased pace throughout the contingency are critical to the execution of U.S. military strategy. DLA's designation as a Combat Support Agency makes it directly responsible for the timely support of critical supplies to the Combatant Commanders in support of their operational requirements. Because of DLA's unique role, surge and sustainment capability is a primary consideration in all acquisitions. All DLA contractors are accountable for surge and sustainment performance, ensuring surge capability actually exists and validating surge capability through surge testing. Therefore, surge testing will be required under the resultant contracts of this solicitation for the life of the contract.

2. DLA defines surge as the ability to ramp up quickly to meet early requirements normally needed within the first 45 days. Sustainment is defined as the ability to sustain an increased pace throughout the contingency(s) for six months or longer. The spectrum of possible contingencies includes major theatre and smaller scale contingency operations. The various contingencies are as follows:

Joint Chiefs of Staff (JCS) Logistics Exercises – The contractor must have the ability to support short term surges in demands, which may increase three times the pre-surge average weekly demands (based on an average of the most recent 52 week period). There may be occasions where large increases in quantity will be necessary for short periods of time and on short notice. A surge situation is defined as an increase in military feeding of 300% of peacetime demand for

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a period of up to 30 days. Rarely, there is sufficient advance notice as to when exercise surges will occur. The contractor will be required to meet the surge demand in the normal contractual lead times, For the resultant contract from this solicitation the contractor will be required to have the ability sustain surges of 300% of pre-surge demand levels for 30 days without advance notice. If, for example, an item has a pre-surge demand of 100 cases per week, the contractor is expected to be able to support 300 cases per week for 30 days during the surge period.

**Military Operations** – The contractor must have the ability to support surges in demand, which may be needed for an extended period of time on short notice. For this type of scenario, the capability to ramp-up quickly to meet early requirements, as well as sustainment for an extended period of time is essential.

**Mobilization** –A full scale military mobilization or a national emergency could increase supplies to those items and quantities listed in the contractor catalog. This increase in quantity may be needed for a six-month period or longer. Normal mobilization strategies provide lead times of at least 30 days to build to the necessary support level. The contractor must have the ability to support this increased level of supply for an extended period of time.

3. The contractor will be required to have the ability to sustain surges of 300% of pre-surge demand levels for 30 days without advance notice. If, for example, an item has a pre-surge demand of 100 cases per week, the contractor shall be able to support 300 cases per week for 30 days during the surge period.

## **N. FOOD SERVICE OPERATING SUPPLIES (FSOS)**

Definition: consumable or disposable products associated with the preparation of serving food. This includes but is not limited to plastic, foam, paper goods and cleaning supplies. The contractor may be required to supply FSOS items to the customers.

## **O. DISPENSING SUPPLIES AND SERVICES**

1. When requested, the Prime Vendor is required to furnish beverage dispensing machines and beverage products, as specified herein. The cost and upkeep of the machines consisting of, but not limited to, labor, transportation, and supplies required to repair and maintain the equipment, shall be the sole responsibility of the Prime Vendor.
2. The Prime Vendor shall furnish mechanically refrigerated dispensing machines and heads suitable for use with the contractor's bag-in-the-box juices and drinks. A sufficient number of machines and dispensing heads shall be installed in the contractor's facility to accommodate the specific needs of each ordering activity.
3. The Prime Vendor will provide a technically qualified service representative to perform monthly maintenance and quality control inspections on each dispensing system. If more frequent maintenance is deemed necessary, the Prime Vendor must provide the additional service at no additional cost.

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4. Any equipment or material furnished by the Prime Vendor shall remain the property of the vendor and must be returned to the vendor at the conclusion of the contract in the same condition in which it was received, minus normal wear and tear.

5. When requested, but not limited to, the Prime Vendor shall furnish hot soup, ice cream, and cereal dispensers suitable for types of items needed as requested by the customer. Maintenance or replacement shall be in accordance with normal commercial practice. The Prime Vendor will be responsible for the cost of the dispensers.

6. The estimated number of required dispensers is identified on the following table. These estimates are based on current usage; however, the customer location, type and/or quantity of the required dispensers may change based on actual customer demand.

<b>Classification</b>	<b>Vendor</b>	<b>QTY</b>
Ice Cream Machine	Schwan's	20
Lipton Ice Tea Machine	Unilever	30
Soup Kettle	Unilever	20
Juice Dispensers	Vitality	72
Regular Coffee Machine	Nestle	34
Barista Coffee Machine	Nestle	31
Cereal Dispenser	General	20
Cereal Rack	Kellogg's	20
<b>Total</b>		<b>247</b>

## **P. DISPOSAL OF PRODUCTS**

### **1. GFM Material**

Disposal of expired GFM material at the GOCO facilities must be coordinated with the Department of Public Works in Busan and the Contracting Officer. The Prime Vendor will prepare expired GFM material for disposal and coordinate with the Department of Public Works in Busan and the Contracting Officer. The Government will coordinate payment of disposal directly with the Department of Public Works for GFM material only. The Prime Vendor will not be paid the distribution price, category 12, for the disposal of GFM at the GOCO facilities.

The Government will only be responsible for disposal costs of customer caused GFM disposal. The Government will not be responsible for disposal of damaged products caused by the negligence of the Prime Vendor. Examples of customer caused disposal costs are (but not limited to those) identified as follows:

- The Government delivers 100 cases of product (government furnished material – GFM) to the Prime Vendor's OCONUS commercial warehouse. The GFM is properly stored and managed by the Prime Vendor, but never ordered by the customer and the shelf life of the 100 cases has expired. In this scenario, the Government is responsible for the disposal costs of the 100 cases only.



## V. TRANSPORTATION

### A. BEST SERVICES

As the Government reserves the right to use the system that provides the best services to our customers (readiness included as a factor) the following applies:

1. The Prime Vendor will be required to ship the products from the United States within the United States Defense Transportation System (DTS). Contractors will use a contract established by the United States Transportation Command (USTRANSCOM). The Contractor will contact the Defense Logistics Agency Distribution, New Cumberland Transportation Operations via the following e-mail address: [oceancontainers@dla.mil](mailto:oceancontainers@dla.mil) to request bookings. The Transportation Operations team will book or provide authorization/instruction to the contractor in order to book the required sea vans using Integrated Booking System (IBS) or Direct booking with the authorized carrier. The carrier will be responsible for the transportation of the Contractor's products from the specified CONUS manufacturer or CONUS distribution facility to the PV's OCONUS distribution facilities. This transportation method is known as "Point to Point" delivery. For all shipments that are not source loaded, it is the responsibility of the Prime Vendor to transport the product to the consolidation point. All costs associated with the the transportation are the also the responsibility of the Prime Vendor.
2. The DLA Distribution Representative, in coordination with the Prime Vendor representative, will ensure the necessary arrangements for ocean transportation, bookings and freight forwarding to the Prime Vendor's OCONUS facility, unless otherwise specified in the contract.
3. Shipping Instructions will be sent to thePrime Vendor . The Prime Vendor will be required to provide DLA Distribution with a packing list within two hours of loading the container and provide the ocean carrier with any USDA health certificates required for transit through a country along the route or at the designation that will be used to identify that the products being shipped by the Contractor are for "U.S. Armed Forces." The Prime Vendor is responsible for timely submission of its packing lists for the containers. Within two (2) hours of loading the container, the Prime Vendor will send the packing lists to DLA Distribution for preparation of the shipping documents. Prime Vendors that fail to follow this process will not receive future bookings until the matter is resolved.

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4 For all shipments to OCONUS Distribution Facility(s), all products are required to be palletized at least 80% of cube or weight of usable space in a container.

80% Usable Container Capacity

Container Type	20' Containers		40' Containers	
	Cube	Weight	Cube	Weight
Dry	760	31,360	1,600	35,200
Reefer	659	27,920	1,346	31,840
Insulated	760	31,360	1,600	35,200
High Cube Dry	920	31,360	1,782	34,960
High Cube Reefer	920	31,360	1,578	31,440
High Cube Insulated	920	31,360	1,782	34,960

All shipments to OCONUS Distribution Facility(s) shall be shipped in 40' containers. Information concerning 20' containers is only provided in the event the Contracting Officer instructs the Prime Vendor of a requirement to ship products in 20' containers. Any exceptions to meeting the 80% minimum requires prior approval from the Contracting Officer and/or Contracting Officer Representative (as delegated).

5. When a carrier is utilized pursuant to the DTS or other ocean carrier as designated by the Government, the applicable Government designated Ocean carrier will provide sea vans and transport them to the specified CONUS manufacturer or CONUS distribution facility. The Prime Vendor will load the vans at their distribution facility in accordance with the terms outlined in Section entitled, "Packaging, Packing, and Labeling". The Government designated Ocean carrier will then pick up the loaded vans and transport them to the applicable Port for subsequent shipment through the DTS. Upon arrival at the OCONUS Port(s), the freight forwarded shipment will be transported to the Prime Vendor's OCONUS Distribution Facility(s) by a USTRANSCOM carrier. Unless arrangements are made for a pool, all containers are considered live load. The Prime Vendor has four (4) hours free time to unload the container before detention charges accrue.

6. In order to enforce this requirement, the Prime Vendor shall assign a customer representative to the contract, which will be solely responsible to oversee this process.

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7. The Prime Vendor will be responsible for properly loading and contacting the ocean carrier for drayage of the loaded container to the embarkation port. The carrier will have the container set at the required temperature when it arrives. The Prime Vendor must ensure that the temperature is set as required and the unit is cooling upon receipt. Temperature setting should be photographed by the Prime Vendor so that discrepancies can be later verified. The Prime Vendor will be responsible for making a visual inspection of the container to ascertain that it is intact and that equipment appears to be operable. The Prime Vendor will be responsible for any detention charges and arranging the return of empty containers to the Government designated ocean carrier, but will not be responsible for return drayage. The Prime Vendor must advise the DLA Distribution Representation of any new supplier locations well in advance of the supplier being operational so that available line haul rates can be ensured.

8. Only product approved for addition to the catalog, may be shipped via DTS, unless the customer has requested samples for possible addition to the catalog.

9. DLA TROOP SUPPORT has been advised by USTRANSCOM that the average “Point to Point” delivery time to Korea from the Eastern and Western U.S. coasts averages thirty (30) days depending upon the point of embarkation. Delivery time for new items ranges from forty five (45) to sixty (60) days, since the item must be sourced, ordered and then shipped. However, delays may occur and the Contractor will be responsible for maintaining sufficient stock levels in its OCONUS facility(s) to cover any such delays in transport. The Government is not liable for late delivery or damage to goods in transit. Any claims for costs or loss may lie against the USTRANSCOM contract carrier, but not the Government. Additionally, the terms and conditions of the USTRANSCOM contract with the designated carrier govern carrier liability for any loss or damage to products during “Point to Point” transportation, and the Prime Vendor is solely responsible for developing and presenting any claims for delay, loss, or damage to the USTRANSCOM designated carrier. The contractor is cautioned that in some instances the USTRANSCOM contract carrier may have limited or no liability under the terms of the USTRANSCOM contract (see B. Insurance/Liability and Claims, below).

9. Palletization requirements for all Overseas Shipments: All Wood Packaging Material (WPM) acquired by DOD must meet requirements of International Standards for Phytosanitary Measures (ISPM) 15, “Guidelines for Regulating Wood Packaging Materials in International Trade.” DOD shipments inside and outside of the United States must meet ISPM 15 whenever WPM is used to ship DOD cargo, or when wood is being acquired by DLA for future use as packaging material. WPM is defined as wood pallets, skids, load boards, pallet collars, wooden boxes, reels, dunnage, crates, frame and cleats.

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Note: Failure to comply with these requirements may result in frustrated cargo and rejection at the point of entry.

DLAD clause 52.247-9012 “Requirements for treatment of wood packaging material (WPM) is hereby incorporated into the contract.

10. Container Management. The Prime Vendor shall be responsible for managing the flow of containers from the port through the warehouse and into the theater. Planned and unplanned delays such as supply route blackouts, local holidays and border closures must be considered in the schedule for container movement. Although the Government is not liable for any costs related to such delays in transportation/container movement of Prime Vendor product, the Prime Vendor should use its best efforts to eliminate detention charges and reduce port storage fees while ensuring containers carrying “Not- in-Stock (NIS)” items are pulled first, followed by special meal containers. The Prime Vendor must consider all factors impacting the supply chain when making their supply chain management decisions. The Prime Vendor is solely responsible for ensuring its supply chain is properly managed to satisfy contract requirements. The Government is liable for such transportation costs for containers of GFM product, the Prime Vendor should use its best efforts to eliminate detention charges and reduce port storage fees. The PV will be responsible for all additional DTS costs incurred by the USG as a result of the PVs performance/decisions.

## **B. INSURANCE/LIABILITY AND CLAIMS**

1. DLA TROOP SUPPORT is generally identified as an authorized ordering office, through DLA Distribution, for contracts awarded by the United States Transportation Command (USTRANSCOM). As discussed above, the Prime Vendor will be shipping product via commercial carrier(s) under DTS via contracts awarded by USTRANSCOM to commercial carriers. The Prime Vendor's products will be shipped through DTS via commercial carriers receiving USTRANSCOM awards or other means of transportation designated by the Government. The Prime Vendor will transmit its transportation requirements to DLA Distribution, which will arrange government-funded transportation through orders against USTRANSCOM contracts. The Government is not responsible for the costs of loss or damage of, or for detention charges for, Prime Vendor material shipped via DTS.

Claims for such losses may lie against the USTRANSCOM carrier. Although USTRANSCOM carriers may be responsible for any loss or damage to the products they transport, such responsibility or liability may be limited by the terms of the USC USTRANSCOM contract, as well as, maritime law, customs, and practices, e.g., Carriage of Goods by Sea (COGSA) limitations 46 U.S. App. § 1300 et. seq.; Force Majeure; Carmack Amendment 49 USC § 14706; etc. It is, therefore, highly recommended that the contractor, prior to submitting an offer, review the current USTRANSCOM carrier contract(s) and consider the costs of maritime insurance when preparing a proposal.

<http://www.sddc.army.mil/GCD/default.aspx?RootFolder=%2FGCD%2FMonthly%20Reports%2FUNIVERSAL%20SERVICE%20CONTRACT%20%28USC%2D8%29&FolderCTID=0x012000F8C5880F847DE54BB1AF0451C2675A4A&View={6EAA5724-3F18-42A2-9D54-BD47D8C34262}&InitialTabId=Ribbon%2ERead&VisibilityContext=WSSTabPersistence>

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2. During the implementation period as defined in the solicitation and/or as a requirement for offeror submission as defined in the solicitation, the Prime Vendor contractor shall enter into an agreement and work with the USTRANSCOM carriers handling routes within the Prime Vendor's geographical responsibility to develop a claims process involving the Prime Vendor contractor and the USTRANSCOM contractor(s). Lack of an agreement does not prohibit the government from using the USTRANSCOM carriers if that USTRANSCOM contractor is deemed the best value to the government. The purpose of such an agreement is to establish a working relationship with the USTRANSCOM contractor(s) in order to facilitate the transportation of product and to establish points of contact in order to resolve any issues that may arise during the performance of this contract. Such an agreement shall address issues such as claims processing and dispute resolution for losses and damage to Prime Vendor cargo by the USTRANSCOM carrier(s) and for the resolution of claims by the USTRANSCOM carrier(s) against the Prime Vendor for detention of carrier containers, port storage for detained containers, and maintenance provided by a carrier for detained refrigerated containers. The agreement should contemplate that the Prime Vendor shall pay the USTRANSCOM carriers directly for any dry runs, diversions, re-bookings caused by incorrect requests, short stops not at the request of the government, detention, port storage or maintenance charges incurred by the Prime Vendor and the USTRANSCOM carrier(s) shall pay the Prime Vendor directly for any charges for loss/damage to Prime Vendor cargo incurred by the USTRANSCOM carrier(s). If the cargo has to be returned for any problem cause by the Prime Vendor, the import back into the US is the responsibility of the Prime Vendor and the original transportation charges shall be reimbursed to DLA. The Prime Vendor contractor shall provide to the DLA TROOP SUPPORT Contracting Officer with a copy of such agreement, as well as, any contact information that it receives from the USTRANSCOM contractor(s). The Prime Vendor shall update this information as necessary and provide the Contracting Officer with any changes made to such agreement. The Prime Vendor claims procedure developed for handling any claims between the Prime Vendor contractor and the USTRANSCOM contractor(s) shall be provided to the DLA TROOP SUPPORT Contracting Officer. During the implementation period as defined in the solicitation and/or as a requirement for offeror submission as defined in the solicitation, the Prime Vendor shall contact the USTRANSCOM designated carrier(s) for the routes within the Prime Vendor's geographical responsibility. The Prime Vendor shall copy the DLA TROOP SUPPORT Contracting Officer with the contact information that it receives from the carrier(s) and shall update this information as required. During the implementation period and/or as a requirement for offeror submission as defined in the solicitation, the Prime Vendor and the carrier(s) shall develop a claims procedure for the handling of any claims that may arise between the Prime Vendor and the carrier(s) for the products shipped by the carrier(s). This procedure shall be the basis for the resolution of any claims for loss or damage, as well as any other issues that may arise. A copy of this procedure, and any changes or updates, shall be promptly furnished to the DLA TROOP SUPPORT Contracting Officer.

3. The Prime Vendor should consider that substantive terms and conditions of the USTRANSCOM carrier's contract and this contract may be relevant to the agreement and procedures negotiated with the USTRANSCOM carrier(s) concerning claims procedures, dispute resolution procedures, etc. The Prime Vendor is an express third party beneficiary of the USTRANSCOM contract regarding its provisions governing the liability of the USTRANSCOM carrier(s) for loss/damage to Prime Vendor cargo. Similarly, the USTRANSCOM carrier (s) is an express third party beneficiary of the provisions of this contract governing the liability of the Prime Vendor for container detention, port storage, refrigerated container maintenance, etc. For example, the dollar amount of damage for detention of containers of the USTRANSCOM carrier by the Prime Vendor is established in the USTRANSCOM contract. Also, the Prime Vendor should consider in negotiating any agreement or procedures that the

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USTRANSCOM carrier may take remedial action, including the assertion of a lien on Prime Vendor cargo or other actions, to protect its interests. Similarly, the Prime Vendor may exercise any right of setoff involving a commercial contract or other remedial action against the USTRANSCOM carrier to protect its interests. Finally, the Prime Vendor should consider in negotiating any agreement or procedures that disputes between the Prime Vendor and the USTRANSCOM carrier or disputes arising out of that relationship will not be subject to the Contract Disputes Act or the “Disputes” clause of this contract. Because claims for loss/damage to Prime Vendor cargo, detention of USTRANSCOM carrier containers, port storage assessed against detained carrier containers, maintenance of detained carrier refrigerated containers, etc. are to be covered by agreement between the Prime Vendor and USTRANSCOM carrier(s), disputes regarding such matters will be covered by the business arrangement between the Prime Vendor and USTRANSCOM carrier(s) and laws applicable to such arrangements.

4. The Government is not responsible or liable for any loss or damage to the Prime Vendor's products shipped through the DTS. Any such losses or problems can be mitigated by establishing a good working relationship with the carriers, being familiar with the terms and conditions of the USTRANSCOM contract, and obtaining maritime insurance for the products shipped. Any discrepancy reports, notice of claims or claims for such loss or damage, as well as, any other communications regarding such loss or damage shall be submitted by the Prime Vendor directly to the carrier for resolution, not to DLA TROOP SUPPORT or USTRANSCOM. The Prime Vendor shall copy the DLA TROOP SUPPORT Contracting Officer with any such claims, notice, or reports. At the request of the Prime Vendor, the DLA TROOP SUPPORT Contracting Officer may facilitate the resolution of the claim, but all communications regarding the claim shall be between the Prime Vendor and the carrier and not through DLA TROOP SUPPORT or USTRANSCOM. This procedure is not subject to change or modification, except by the DLA TROOP SUPPORT Contracting Officer. If the Prime Vendor is unable to communicate directly with the carrier for any reason, it should promptly so advise the DLA TROOP SUPPORT Contracting Officer. The Government will not be liable, however, for any loss or damage in the event the Prime Vendor and USTRANSCOM carrier are unable to resolve their claims.

### **C. CUSTOMS**

USTRANSCOM will be responsible for all customs clearance from the point of debarkation through to the Prime Vendor's OCONUS facility (s) for material shipped through DTS. The Prime Vendor is responsible for customs clearance from his OCONUS facility (s) to the final delivery points.

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#### **D. PRIME VENDOR RESPONSIBILITIES**

1. The Prime Vendor will be responsible for all documentation and required paperwork, as well as packaging/packing and marking of products as originally stated in the solicitation.
2. The Prime Vendor will be responsible for making a visual inspection of the container to ascertain that it is intact and that all equipment appears to be operable.
3. All freeze and chill trucks will use temperature recording devices, readings of which will be made available upon request.
4. Additionally, the Prime Vendor will be responsible for the van temperature verification, pre-cooling vans, when appropriate, and loading vans.
5. Unless otherwise specified in the contract, the Prime Vendor will be responsible for arranging the return of empty containers to the Ocean Carrier. The Prime Vendor shall be responsible for detention charges that result from the delayed return of the empty containers.

#### **E. GOVERNMENT RESPONSIBILITIES**

1. USTRANSCOM will be responsible for the contracting of transportation of products from the Prime Vendor's CONUS Distribution Warehouse(s) to the Prime Vendor's OCONUS warehouse(s).
2. The DLA Distribution Representative in coordination with the Prime Vendor will be responsible for making ocean transportation bookings that provide transportation from the Prime Vendor's CONUS facility to the door of the PV's OCONUS facility to include setting up transportation from the OCONUS port to the Prime Vendor's OCONUS facility.
3. The DLA Distribution Transportation Operations team will generate the Transportation and Control Movement Document (TCMD), commercial invoice, commercial packing list and Consulate letter that will be used to identify that the products being shipped by the Contractor are for "U.S. Armed Forces."

#### **F. VEHICLE TRANSPORTATION**

The Prime Vendor is responsible for providing sufficient transportation assets to support all authorized customer requirements under this contract.

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## **G. AIRLIFTS**

Airlifts to support customer requirements in Korea are not anticipated. The Prime Vendor is required to stock sufficient quantities of product to meet all Korea customer demands. If an item with an established demand is not properly managed by the vendor, a not-in-stock situation occurs, and the item is projected to be out of stock for more than 21 days, the Prime Vendor will be required to airlift product at its own expense.

The Contracting Office may authorize airlifts in coordination with the United States Defense Transportation System (DTS) to fulfill customer requirements for short shelf life highly perishable items that cannot be sourced in the local market. Airlifts will only be authorized when a local source is not available. Airlift requests must be submitted for approval to the Contracting Officer. Only the Contracting Officer may approve an airlift request. If approved, the Prime Vendor will deliver the product to the designated CONUS facility for preparation for the airlift.

Any Government emergency requirement to airlift product to a Korea customer must be directed by the Contracting Officer, and the product shall be moved via military assets or US TRANSCOM Tender processes. All Prime Vendor costs, including but not limited to delivery to the over-pack facility or airfield, etc. shall be included in the distribution price for both emergency and non-emergency TRANSCOM airlifts.

If, due to time constraints, air tenders through USTRANSCOM are not be available, the Prime Vendor must have a working arrangement in place with a commercial air source that can be ready to deliver on a moment's notice. All costs associated with commercial air transportation, including but not limited to delivery to the over-pack facility or airfield, tri-walls etc. shall be included in the distribution price for both emergency and non-emergency airlifts. The Prime Vendor remains responsible for its product during USTRANSCOM and commercial transit.

Pallet tri-walls must be constructed from the appropriate level of cardboard to withstand the normal requirements of the journey. Frozen and chill pallet tri-walls must be lined with suitable insulating materials and either wet ice or dry ice will be added as needed to maintain the products for the expected journey timeframes.

## **H. PRIME VENDOR PRODUCT TRANSFER**

DLA Troop Support Prime Vendors will be permitted to transfer product between one another based on their own agreements. However, the receiving Prime Vendor must catalog the item(s) at the actual unit price as defined in this solicitation which is equal to product price plus the receiving Prime Vendor's distribution price. The receiving Prime Vendor will not be entitled to any amount above contract product price.

## **I. SAFETY OF LIFE AT SEA (SOLAS)**

1. SOLAS requires that the Verified Gross Mass (VGM) of all loaded containers be provided to the ocean carrier and terminal representative before any container is lifted onboard a vessel. Additional information on these requirements is included in Military Surface Deployment and Distribution Command Customer Advisory CA-16-04/08-0035 dated April 8, 2016 found at <https://www.sddc.army.mil/res/Pages/advisories.aspx>.
2. When shipping containers booked through the Defense Transportation System (DTS), in order to comply with SOLAS requirements, the Subsistence Prime Vendor MUST ensure that the VGM of



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each container is provided to DLA Distribution, that the VGM of each container is certified, and that the tare weight of each container is also provided to DLA Distribution. This information shall be provided by the Subsistence Prime Vendor, or its representative, in a format approved by the DLA Distribution Transportation office.

The certified VGM of the container shall be determined by one of the following methods, unless otherwise authorized by the Contracting Officer, with all weighing being completed in accordance with the laws of the jurisdiction in which the weighing occurs:

Method No. 1: Weigh the packed container after loading is finished;

---or---

Method No.2: Weigh the individual packages/cargo, including the packing and securing material, then add the tare weight of the container.

3. When shipping containers booked through DTS, the VGM provided to DLA Distribution must be certified with the following statement:

“I hereby certify that this container was weighted IAW the International Convention for the Safety of Lives at Sea (SOLAS), Chapter VI, Part A, Regulation 2 - Cargo Information, and the gross weight is determined to be \_\_\_\_\_ lbs. Signed and certified: (electronic signature; pen and ink signature; or signature block in all capital letters).”

All forms of signature must be legible and made by a representative of the “shipper.” For the purposes of the certified VGM for any material shipped through DTS under this contract, the “shipper” is defined as the company at whose location the container is loaded and sealed. There may be instances where the party booking the container differs from the shipper; however, the shipper is still responsible for supplying and certifying the VGM data unless otherwise directed by the Contracting Officer or DLA Distribution. The Subsistence Prime Vendor will be responsible for ensuring that the shipper provides an accurate VGM and provides the appropriate certification. Failure to submit the VGM, the above certification statement, and/or a legible, valid form of signature may delay the container shipment. The Government will not be responsible for any delays or costs associated with the failure to provide the required VGM and certification. Consistent with the basic contract terms, any such costs, including demurrage or product loss, will be the Subsistence Prime Vendor’s responsibility.

Inclusion of the above certification on a packing list is generally the preferred method of submission; however, other forms of submission may be acceptable when approved or required by DLA Distribution and the Contracting Officer.

4. It is the Subsistence Prime Vendor’s responsibility to ensure all information and documentation submitted is accurate so that containers will not be delayed during transit. The Subsistence Prime Vendor is advised that a container missing the VGM certification may not be loaded onboard the vessel and may be denied entry to the port facility. Any discrepancies in the VGM could result in additional charges and/or cargo being frustrated within the transportation pipeline. The Subsistence Prime Vendor will be responsible for costs incurred for delays due to improper or erroneous documentation, including documentation related to SOLAS requirements. The U.S. Government is

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not responsible for any costs resulting from or related to delays associated with these SOLAS requirements or improper documentation.

5. Additionally, for Class I Subsistence shipments through DTS, the Subsistence Prime Vendor will be required to provide the DTS carrier with the VGM directly. The method for providing each carrier with the VGM may vary based on the carrier and the port. The Subsistence Prime Vendor shall request specific guidance on how this information is to be provided to the carriers from the DLA Distribution Transportation Office.
6. The Subsistence Prime Vendor is responsible for ensuring its continued compliance with transportation related laws and regulations applicable to performance under this contract. The Subsistence Prime Vendor should continue to coordinate with USTRANSCOM, Military Surface Deployment and Distribution Command, DLA Distribution, and DLA Troop Support to ensure its continued compliance with all DTS shipping requirements.

## **VI. STATUS OF FORCES AGREEMENT, WORKERS COMPENSATION INSURANCE, & INTERPRETATIONS/TRANSLATIONS**

### **A. STATUS OF FORCES AGREEMENT (SOFA)**

1. Contractor will be responsible for complying with the “Invited Contractor or Technical Representative Status Under U.S. – Republic of Korea (ROK)” and “Continuance of Performance During Any State of Emergency in the Republic of Korea (ROK)” clauses contained in the “Caution Notice” section of this solicitation. Please note, paragraph (E) of the “Invited Contractor or Technical Representative Status Under U.S. – Republic of Korea (ROK)” clause:

[The contractor warrants and shall ensure that collectively, and individually, its officials and employees performing under this contract will not perform any contract, service, or other business activity in the ROK, except under U.S. Government contracts and that performance is IAW the SOFA.]

2. The Prime Vendor must be familiar with all necessary permits, licenses, laws and labor decrees that pertain to Government contracts. The Contractor shall obtain all required Personnel ID (identification) passes and vehicle decals to enter the post/base of the appropriate sites.

3. A National Agency Check & Inquiries (NACI) or DOD equivalent must be completed prior to issuance of Common Access Card (CAC) for those under SOFA status, and fingerprints on file with FBI. An Applicant requesting a government credential must first be vetted through his or her employer using the DOD-approved process and the process outlined in the following documents:

- Federal Information Processing Standards Publication 201-2, “Personal Identity Verification (PIV) of Federal Employees and Contractors”
- DOD Regulation 5200.2-R, “Personnel Security Program”
- Directive-Type Memorandum (DTM) 08-003—“Next Generation Common Access Card (CAC) Implementation Guidance”

Note: You should check with your service or agency for any additional internal policies or guidelines governing this process. This process requires that DOD Uniformed Service Contractors and Non-DOD

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Civil Service Employees must minimally have an initiated National Agency Check with Inquiries (NACI) and a favorable completion of a Federal Bureau of Investigation (FBI) fingerprint check, or a DOD-determined equivalent investigation, or greater. Affiliated Volunteers requiring access must have an initiated National Agency Check (NAC), and a favorable completion of an automated FBI National Criminal History Check (fingerprint check).

Note: The FBI fingerprint check adjudication process may take up to four weeks to complete. You must confirm the favorable completion of the FBI fingerprint check before you create the application.

The final step in preparing the application for a contractors CAC is for the COR to certify that the contractor has met the requirements above.

## **B. WORKERS COMPENSATION INSURANCE**

1. Federal Acquisition Regulation 52.228-03 WORKERS COMPENSATION INSURANCE (DEFENSE BASE ACT) is included by reference in this solicitation.

2. The Secretary of Labor may waive application of the Defense Base Act (DBA) with respect to any contract, work location, or class of employees upon the written request of the head of any department or other agency of the United States. DLA understands that it is Department of Labor's policy that waivers do not apply to citizens or legal residents of the U.S. or to employees hired in the United States. In addition, once granted, the waiver is only valid if alternative workers' compensation benefits are provided to the waived employees pursuant to applicable local law. If there are no local workers' compensation laws, the waiver has no effect and local and foreign nationals working under a United States contract are covered under the DBA. It is the Contractor's responsibility to obtain the insurance coverage as required. All costs to provide coverage throughout the life of the contract shall be included in the proposal. The decision to request or grant a waiver rests solely with the United States Government.

## **C. INTERPRETATIONS/TRANSLATIONS**

1. The Contractor shall provide host nation/English translation of operating instructions, procedures and all other documents required for complete and efficient performance of this contract. These translations shall be placed or posted in close vicinity to each work area where they are required for day-to-day work.

2. The Government is not obligated to provide any assistance to the Contractor in the day-to-day translations and interpretations necessary to communicate with DLA Troop Support.

3. The Contractor shall provide a means of real time communications/ translation/ interpretation between and among all levels of its organization. This requirement for communication and understanding shall apply to all levels of supervision and shall be provided by supervisors at all levels or by adequate numbers of readily available interpreters/translators who shall be present during all exchanges of information which require interpretation or translation.

4. All correspondence, official documents that impact work performed under this contract and communications between the Contractor and the US Government pertaining to this contract shall be in

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the English language.

## **VII. INVENTORY AND WAREHOUSE MANAGEMENT**

### **A. CONTRACTOR OPERATED WAREHOUSE SPACE**

1. The Prime Vendor will be required to perform supply chain and warehouse management functions and to position a full line of food and beverage, non-food items, and Government Furnished Material (“GFM”) items into its warehouse(s). The Prime Vendor has responsibility for all supply chain management. In regard to GFM, the theater food adviser shall recommend the time to reorder and the respective replenishing amounts to DLA-Troop Support.
2. Supply chain management is the sole responsibility of the Prime Vendor. As supply chain management is the sole responsibility of the Prime Vendor, the Government will not be liable for expired or excess inventory during the life of the contract or after the contract has expired. Any information provided to the Prime Vendor by the Government (i.e. estimates, headcounts, etc.) during contract performance is merely guidance to assist the Prime Vendor in fulfilling its role of supply chain management in the context of specific contract requirements. Though the Government will utilize its best efforts and reasonableness in furnishing said information, it provides no warranties or representations that the information provided is wholly accurate. Ultimately, the Prime Vendor is responsible for ensuring that its supply chain management is sufficiently executed and managed to meet the specific requirements contained in this solicitation.
3. The Prime Vendor will be required to maintain 60 days of supply for each item on the of Prime Vendor catalog at all times at each OCONUS warehouse location (excluding Fresh Fruits and Vegetables and Local Market Ready items). It is the Prime Vendor’s responsibility to determine the warehouse size and number of pallet spaces it needs to fulfill the demand requirements of this solicitation to include surge requirements. The standard American pallet size is 48x40 inches. The Prime Vendor will be responsible for developing its own demand estimates to ensure proper stocking levels, including average weekly and average monthly demands (AWD/AMD). Note: Solicitation estimates are only estimates and subject to increase or decrease based on the actual conditions on the ground.
4. The Government will not reimburse the Prime Vendor for expired or excess inventory during the life of the contract or after the contract has expired. Exceptions to this rule must be incorporated into the contract via contract modification.
5. The Prime Vendor must provide all of the necessary assets, to include, material handling equipment and labor to maintain operations.
6. The Prime Vendor is responsible to provide the proper equipment (i.e. pallet jacks, fork lifts, etc.) to move material to the back of the delivery vehicles at the customer delivery points.

### **B. GOVERNMENT OWNED/CONTRACTOR OPERATED (GOCO) WAREHOUSE SPACE**

1. Contractors are hereby advised that there is warehouse space available that must be used to for GFM which will be available to the Prime Vendor.

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2. This space is available at the Busan Storage Center in Pusan, Korea. This space is available for use by the Prime Vendor in support of this contract ONLY. The selected Prime Vendor will use this space to warehouse GFM only. Please note that Pusan and Busan are used interchangeably. In addition, Busan Storage Facility; Busan Storage Center; and Central Receiving Facility, Pusan are used interchangeably.
3. Any contractor **MUST** agree to incorporate all provisions of the MOA between the J-4 Headquarters, United States Forces Korea (USFK) and the DLA Troop Support Philadelphia dated **September 2014**. This MOA can be provided to offerors. All information in this solicitation pertaining to the GOCO facilities takes precedence over the MOA.
4. There will be no rent charged to the Prime Vendor for the use of the GOCO facilities.
5. The following are the dimensions on warehouse space at the GOCO facilities that will be available to the Prime Vendor.

Whse #	Type	Sq Ft	Cu Ft	Max Pallet Capacity (Approximate)
15	Dry	23,000	To be determined based on Rack configuration	
13	Chilled	16,920	142,128	2,584
13	Freezer	28,294	212,330	3,860*
S-1355	Office Space	To be determined by available space		
S-5402	Office Space	376	SSMO 51 Office, USAG Yongsan	

\* -Stacked 2 pallets maximum

**The above chart is for information purposes only. The Government will not be held liable for any errors in the above figures or for changes in consumption or cost that may occur during the life of a contract resulting from this solicitation.**

6. The Prime Vendor will be responsible for providing the necessary office needs (i.e., installation of telephone and telephone lines, fax lines) and office furniture. The Prime Vendor will be responsible for providing all Material Handling Equipment (MHE) necessary for the successful performance of this contract at the GOCO facility. The Prime Vendor will be required to abide by all Busan Storage Center Safety, policies and regulations.
7. The Prime Vendor must have a dedicated warehouse employee at the GOCO facilities to manage GFM.
8. The Prime Vendor will bear the risk of loss or damages for the supplies warehoused in the GOCO due to negligence of the Prime Vendor.
9. At times, it may be necessary for GFM to be located in the Prime Vendor's commercial warehouse. GFM may only be stored at the commercial warehouse if directed by the Contracting Officer. The Prime Vendor will bear the risk of loss or damages for the supplies warehoused in the Prime Vendor's commercial warehouse due to negligence of the Prime Vendor.

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10. The Prime Vendor must have the capability to receive, store, distribute, perform open case inspections, perform open case re-work, label, re-label, dispose, and account for GFM type items such as Operational Ration Type items as described below. The Prime Vendor must also provide weekly inventory and self-life information to the Supply Planner and local DLA-TS office (COR/Deputy). The Prime Vendor coordinate 106 Public Health Command to perform inspection for shelf-life extensions or disposal determination. The U.S. Government reserves the right to modify the type of GFM to be stored and accounted for by the contractor.

OPERATIONAL RATIONS:

a. Unitized Group Rations (UGR's) are used to sustain military personnel during worldwide operations. The UGR is designed to maximize the use of commercial items and to simplify the process of providing high quality food service in a field environment. All components for a complete meal are included in the UGR, with the exception of mandatory supplements, such as milk. Each UGR meal module also contains all required disposable items (cups, compartment trays, and utensils). This ration is available in three options, with each sharing a core of quick prepared and/or ready to use commercial products.

b. UGR-A , which includes perishable frozen entrees (A-Rations). Each complete UGR-A ration consists of 3 shipping cases: 2 cases represent the semi perishable module and 1 case is the perishable (frozen) module. The semi perishable modules are ordered/shipped under a single LSN (i.e., the two cases, Box 1 and Box 2, must be delivered together), and the perishable module is shipped under a separate, second LSN. There are currently 7 Breakfast and 14 Dinner rations, for a total of 42 LSNs). There are currently 7 breakfast and 14 lunch/dinner menus available for both the H&S and A-Options. There is no minimum ordering quantity required (i.e. orders for single modules are accepted). The UGR-H&S option is unitized into 3 boxes, which places 2 rations on one tier of a pallet, and one pallet (4 tiers) provides 8 rations. For the UGR-A, the semi perishable pallet is comprised of 3 ration modules per tier, and 12 ration modules per pallet. The perishable pallets contain varied numbers of ration modules per pallet, as the shipping case size varies per menu.

For more information regarding these rations, please go to:  
<http://www.dla.mil/TroopSupport/Subsistence/Operationalrations.aspx>

There is no minimum ordering quantity required (i.e. orders for single modules are accepted). For purposes of administering the requirements and provisions related to the Operations Rations, please contact Noreen Killian, FTRB, 215-737-7718, [Noreen.killian@dlamilitary.com](mailto:Noreen.killian@dlamilitary.com) until otherwise notified.. The authority set forth is applicable only to the GFM (UGR-A) distribution portion of the contract. The UGR-A COR is not allowed to make any changes or modifications to any other terms and conditions of the contract. And is not authorized to act as the COR for any other semi-perishable and perishable food products distribution portion of the contract.

The following UGR-A reports are in addition to those specified under Section Management Reports of the Statement of Work. The following reports for UGR-A shall be e-mailed to [noreen.killian@dlamilitary.com](mailto:noreen.killian@dlamilitary.com). The Reports shall include the data for the entire month (first day to last), and shall be emailed no later than the seventh (7th) workday of each following month. (a) Monthly Inventory Reconciliation; and (b) Monthly Projected Demand Report.

11. The MOA details the space available to the Prime Vendor, however, some of these spaces are shared facilities and availability is clarified as follows:.

a. Cold Storage (Warehouse 13), Busan Storage Facility (BSF): Use only by Subsistence Prime Vendor

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- b. Warehouse 13, Building 1355, Admin Office: Shared facility (Subsistence Prime Vendor & Material Support Command Korea (MSCK))
- c. Dry Storage (Warehouse 15): Shared facility (Subsistence Prime Vendor & MSCK)
- d. Warehouse 11 (Contingency Storage): Fully controlled/operated by MSCK /BSF. Although this space is detailed as available for contingency storage in the MOA, it is not available for use by the Prime Vendor.
- e. Central Accounting Office (CAO), SSMO, Yongsan, South Post: Share facility (SSMO & SPV)

12. The incinerator at the Pusan Storage Facility is not available for use by the Prime Vendor. Use of the attendant services (e.g. trash) at the GOCO facilities are limited to the contractor's performance at the GOCO facilities.

#### **C. BREAKING CASES**

Under the proposed contract, the awardee will be required to break cases for spices. If the contractor has additional items, other than spices, for which it normally breaks cases, indicate those items in your offer.

#### **D. CONTRACTING OFFICER REPRESENTATIVE (COR)**

It is estimated that a minimum of one (1) COR will be assigned to this contract. Additional CORs may be needed during the life of the contract. The contractor is required to provide an office (approximately 150 square feet) with a self-closing, tight-fitting door, capable of being locked. This office must be within or adjacent to the Prime Vendor's office/warehouse facility and must be fully functional within the 180-day implementation period. Other requirements include (at minimum) a desk and chair, electricity, temperature control, access to the PVs office equipment such as a printer, paper shredder, document scanner, copy machine, as well as normal housekeeping services, use of the rest rooms, and a parking space. During the life of the contract, should additional CORs be assigned under this contract, the same accommodations must be made available to each COR at no additional cost to the Government.

**VIII. SECURITY MEASURES / FORCE PROTECTION****A. SECURITY MEASURES / FORCE PROTECTION**

1. The DLA Troop Support Subsistence Directorate provides worldwide subsistence logistics support during peacetime as well as during regional conflicts, contingency operations, national emergencies and natural disasters. At any time, the United States Government, its personnel, resources and interests may be the target of enemy aggression to include espionage, sabotage or terrorism. This increased risk requires DLA Troop Support to take steps and insure steps are taken to prevent the deliberate tampering and contamination of subsistence items. Such precautions are designed to provide for Food Defense as described by the Food & Drug Administration (FDA) at [www.fda.gov/Food/Defense/](http://www.fda.gov/Food/Defense/).

2. As the holder of a contract with the Department of Defense, the Prime Vendor should be aware of the vital role it plays in supporting the Government's customers. It is incumbent upon the Prime Vendor to take actions to secure product delivered to all customers. It is a requirement for the Prime Vendor to have written force protection/food defense plans relating to plant security and security of product in light of the heightened threat of terrorism and to secure prime vendor product from intentional adulteration/contamination. The Prime Vendor's Food Defense Plan must be in compliance with the DLA Troop Support Food Defense Checklist as determined by the Contracting Officer. (NOTE: to download a copy of the DLA Troop Support Food Defense Checklist go to [https://www.troopsupport.dla.mil/subs/fs\\_check.pdf](https://www.troopsupport.dla.mil/subs/fs_check.pdf) or contact the applicable Contracting Officer or the DLA Troop Support Quality Audits & Food Defense Branch at 215-737-8656). This Plan must be submitted to the Contracting Officer within 60 days after contract award to be reviewed for acceptability. The Contracting Officer may conduct ongoing verifications of the Prime Vendors security and food defense system throughout the life of the contract. Failure to have or maintain an acceptable food defense plan will be considered a breach of contract. The DLA Troop Support-FTSB may conduct Food Defense Audits/reviews during Prime Vendor Product Quality Audits, Unannounced Quality Systems Management Visits and/or other visits to verify the implementation, compliance and effectiveness of the Prime Vendor's Food Defense Plan. The Prime Vendor's Food Defense Plan should include specific security measures relating to but not limited to the following areas:

- (a) Employee Identification
- (b) Background checks where applicable
- (c) Control of access to plant facility, gates and doors at the facility
- (d) Internal Security
- (e) Training and security awareness
- (f) Product Integrity
- (g) Transportation Security

The Prime Vendor may modify its Food Defense Plan at any point during contract implementation or during the period of performance, however, any change must be determined acceptable by the Contracting Officer. Whenever a change is made to the Food Defense Plan, it must be submitted to the Contracting Officer for review and approval. If more than one facility will be used to store or distribute product, a separate acceptable Food Defense Plan for each facility is required.

3. The Prime Vendor will insure that all products and/or packaging have not been tampered or contaminated throughout the manufacturing, storage and delivery process. The Prime Vendor will immediately inform DLA Troop Support Subsistence of any attempt or suspected attempt by any party or parties, known or unknown, to tampering with or contaminated subsistence supplies.



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4. The following security guidance is also provided:

- i. Make sure all boxes, bags, etc. are intact and demonstrate no evidence of tampering. All incoming truck drivers should provide adequate identification upon request. Visitors should also be properly identified and access limited to appropriate areas. Procedures for storing product should adequately control access to eliminate any possibility of product adulteration.
- ii. Review lighting and camera conditions at the warehouse facilities and consider whether fencing and locking devices are adequate. Guards for static security and T-walls shall be considered.
- iii. Never leave open trucks unattended, and use bolt-seals when possible to designate loaded trailers. Serial coded security seals shall be properly placed on all delivery vehicles and registered/logged in per delivery. The contractor will ensure that employee background checks are up to date. Ensure drivers have communication devices available in the event of an emergency and establish emergency phone numbers for them to use. Firms should keep a low profile and share customer routes, etc. on a need to know basis. Review of overall organizational corporate security plans should be conducted and consider whether private security firms are needed to assess or reduce risk. It is important to convey to all warehouse, office and fleet personnel that security should not be taken lightly and any suspected adulteration or evidence of product tampering must be reported immediately.
- iv. When split/consolidated deliveries are authorized, the delivery vehicles are required to be sealed after each delivery point with a serial number coded seal. The contractor shall be responsible for providing the seals. The military liaison or designated representative at the drop-off point shall be responsible for cutting the seal, verifying the serial number on the invoice, re-sealing the delivery vehicle with the new seal and annotating the number on the delivery ticket. Under no conditions will drivers re-seal delivery vehicle or complete the associated paperwork. Split/consolidated deliveries made in conditions other than those cited above are subject to be rejected by the customer.

5. Information Protection

The Prime Vendor shall prevent unauthorized release of sensitive and/or classified information in accordance with communications security (COMSEC) and operations security (OPSEC), and information system security (INFOSYSSEC) by all employees.

6. Operational Security

The Prime Vendor shall establish, maintain and execute a vigilant Operations Security (“OPSEC”) Program to include, but not limited to, receipt, accountability, safeguard, destruction, and investigation of any operational information.

7. INFOSYSSEC Security

The Prime Vendor shall establish, maintain and execute a vigilant information system security (“INFOSYSSEC”) Program to include, but not limited to, receipt, accountability, safeguard, destruction, and investigation of any computer security, internet security, network security, information security, security, computer, network, information, hacking, hacker, exploits, and vulnerabilities.

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8. Data Use, Disclosure or Information, and Handling of Sensitive Information

The Prime Vendor shall maintain, transmit, retain in strictest confidence, and prevent the unauthorized duplication, use and disclosure of information. The Prime Vendor shall provide information only to those employees of the Prime Vendor and its subcontractors who have a need to know such information in the performance of their duties under this contract. Information made available to the Prime Vendor by the Government for the performance and administration of this effort shall be used only for those purposes and shall not be used in another way without the written agreement of the Contracting Officer.

## **B. THEATER SUPPORT**

### **1. Information Security**

#### **i. Information Protection**

The Contractor shall prevent unauthorized release of sensitive and/or classified information in accordance with communications security (COMSEC) and operations security (OPSEC), and information system security (INFOSYSSEC) by all employees.

#### **ii. Operational Security**

The Contractor shall establish, maintain and execute a vigilant Operations Security (OPSEC) Program to include, but not limited to, receipt, accountability, safeguard, destruction, and investigation of any operational information.

#### **iii. INFOSYSSEC Security**

The Contractor shall establish, maintain and execute a vigilant information system security (INFOSYSSEC) Program to include, but not limited to, receipt, accountability, safeguard, destruction, and investigation of any computer security, internet security, network security, information security, security, computer, network, information, hacking, hacker, exploits, and vulnerabilities.

#### **iv. Data Use, Disclosure or Information, and Handling of Sensitive Information**

The Contractor shall maintain, transmit, retain in strictest confidence, and prevent the unauthorized duplication, use and disclosure of information. The Contractor shall provide information only to employees, the Contractor and subcontractors having a need to know such information in the performance of their duties under this contract. Information made available to the Contractor by the Government for the performance and administration of this effort shall be used only for those purposes and shall not be used in another way without the written agreement of the KO.

### **2. Management Plan**

The Contractor shall develop a detailed management plan that describes the Contractor's policies and procedures with regard to planning, organizing, staffing, directing, and controlling the performance of the contract, to include effective management methods and strategies, as well as cost effective management methods that provide the flexibility needed to effectively manage the US Government's requirements. The Contractor shall articulate in written format, internal and external management processes that directly relate to the PWS. At a minimum the plan shall address: contract administration;

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Government compliance; health, safety and environmental; human resources; program management; procurement and supply management; project controls; property controls; and security (physical, communication, operational, force protection). The Contractor's management plan shall also include their plan to provide a bi-monthly manning document, deliverable to the COR, that discusses current manning levels and incoming personnel.

### **3. Personnel**

#### **i. Objective**

The Contractor shall provide a work force possessing the skills, knowledge, training, equipment and certifications required to satisfactorily perform the services required for this contract. Documentation establishing and/or showing evidence that employee(s) possess the certifications, qualifications, and background checks required by contract must be presented to Prime Vendor designated representative prior to beginning duties. Contractor personnel will not have been convicted of any felony. Personnel may not have been declared incompetent by reason of mental defect by any court of competent jurisdiction. Personnel may not be suffering from habitual drunkenness or from narcotics addiction or dependence as evidenced by a recognized drug/alcohol testing procedure or possession of unauthorized substances or paraphernalia.

#### **ii. Availability**

The Contractor shall configure its resources such that no gaps in services occur resulting from leaves of absences and availability of physical resources such as weapons, vehicles and communication equipment.

#### **iii. Personal Attributes**

All Contractor personnel shall be a minimum age of 21 and not have a criminal record. Nor shall any Contractor personnel have an existing warrant for any crimes. Contractor personnel can be US Citizens, Third Country Nationals, or Local National (Korean) citizens. The U.S. Government (USG) encourages the Contractor to support the Local National Socioeconomic Program. At a minimum, no Contractor personnel shall be affiliated with associations, elements, groups, organizations, and/or programs that seek to undermine the legitimacy and initiatives of the Republic of Korea and USG. All Contractor personnel shall be medically screened to ensure that they do not possess an existing health condition that would result in them being unable to perform their assigned duties.

#### **iv. Contract Manager**

The Contract Manager provides contractual interface between the Prime Vendor, sub-contractors, DLA Troop Support and the Republic of Korea and any designee. The Contract Manager provides expertise and coordination of contract compliance, including modifications. The Contract Manager will identify and develop solutions to any contractual issues and implement approved solutions in coordination with the government. The Contract Manager attends all meetings addressing the contract and travels throughout Korea as required in performance of his duties.

#### **v. Customer Service Representatives**

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The Prime Vendor(s) shall assign, at a minimum, one (1) full time (dedicated) customer service representative (CSR) to the OCONUS warehouse to maintain continuous contact with the ordering activities, and especially with regard to emergency service requirement, product quality complaints, shipping discrepancies, and damaged product. Another full time (dedicated) CSR shall be assigned to oversee the Defense Transportation System (DTS) process as discussed herein. All customer service representatives are required to speak English, and must have the authority to make binding decisions on behalf of the Prime Vendor on any concern, which, may occur. While English-speaking truck drivers are not required they are preferred. In either instance, all truck drivers must be able to contact English speaking superiors at all times (via cellular phone or other direct line of communication) to allow for customers/Prime Vendor communication when necessary. At a minimum, quarterly visits to the customers or customer representatives under the resultant contract are required to show new items, product preparation, provide nutritional information and address any other concerns that the customers may have. Additionally, the Prime Vendor is required to have a representative attend scheduled management meetings at the customer locations. The name of the representative(s) and their telephone number, e-mail address, or any other method of communicating shall be furnished with 30 days after award

#### **4. Hours of Operation**

The Contractor may be required to perform 24 hours per day, seven days per week, and 365 days per year to include all holidays. Working hours will correspond with the supported unit's mission requirements. The Contractor must at all times maintain an adequate work force to ensure uninterrupted performance of all tasks defined within this solicitation.

Note: Normal Hours for Delivery are: 0800 -1100 and 1300 – 1700 hours.

#### **5. General Contractor Furnished Items and Services**

##### **i. General**

The Prime Vendor shall furnish everything required to perform this requirement. The equipment required to perform the services will remain Contractor Furnished Equipment ("CFE") and the U.S. Government will not take possession as GFE upon purchase.

##### **ii. Compliance**

The Prime Vendor shall ensure that required items are acquired in accordance with all current applicable national and international laws and regulations. All property acquired by the Prime Vendor for the performance of this effort, shall be considered Contractor Furnished Equipment. The Prime Vendor shall hold title to that property. The Prime Vendor shall be responsible for the disposition of all Contractor Furnished Equipment until this contract is modified.

##### **iii. Uniforms**

The Prime Vendor may choose to designate a company uniform, but the government does not require it and will not reimburse the contractor. There is no USG "dress code", however, inappropriate attire as determined by the contractor will not be permitted.

##### **iv. Personnel Identification**

The Prime Vendor shall furnish an identification badge (ID) to each employee, which shall

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include as a minimum, a recent photograph, name, and name of the Prime Vendor.

## **6. Ethics Training**

Prior to commencing contract performance, the Contractor shall require all employees to complete ethics training. Ethics training shall cover FAR 3.104, Procurement Integrity, personal and organizational conflicts-of-interest IAW FAR Subpart 9.5 and instruct contractor employees on identifying actual and potential Organizational Conflicts of Interest's and the reporting requirement in the Statement of Work (SOW) Paragraph above; the requirements of FAR 9.505-4(b) and the requirements of SOW. Prior to commencing contract performance, the Contractor shall furnish to the KO evidence that each contractor employee has received training IAW this SOW Paragraph which shall include a signed statement by each contractor employee whereby the employee agrees that he or she will not discuss, divulge or disclose any such information or data to any person or entity except those persons within the contractor's organization directly concerned with the performance of the contract. Prior to commencing contract performance, the Contractor shall obtain a financial disclosure agreement, similar in form/content of the Office Government Ethics (OGE) Form 450, for each employee assigned to the contract. The Contractor shall also obtain financial disclosure agreements for all subcontractor employees assigned to the contract. If after award, the Contractor discovers an employee's financial conflict of interest, with respect to this contract, the Contractor shall make an immediate and full disclosure in writing to the KO. The disclosure shall include identification of the conflict, the manner in which it arose, and a description of the action the Contractor has taken or proposes to take to avoid, eliminate or neutralize the conflict. The contractor shall provide annual ethics training for all contractor employees performing the contract and furnish evidence of that each contractor employee has completed the annual training in the same form as evidence of training. The contractor shall obtain annual financial disclosure agreements from all employees assigned to the contract. If the Contractor discovers an employee's financial conflict of interest, with respect to this contract, it shall make an immediate and full disclosure in writing to the KO. The disclosure shall include identification of the conflict, the manner in which it arose, and a description of the action the Contractor has taken or proposes to take to avoid, eliminate or neutralize the conflict.

## **C. CONTINGENCY**

The Prime Vendor will be required to maintain a detailed contingency CONOPs designed to ensure that you will be able to independently provide continued support to all DLA customers covered by this contract should any of your warehouse platform(s) become unusable for any reason including but not limited to the following: inaccessibility by road, destroyed by attack, infestation, lack of proper heating, air conditioning and cooling, loss of lease, arson, etc. or if any customer location(s) become inaccessible by road. The Prime Vendor must have the capability to perform the CONOPs at all times throughout the life of the contract. From time to time, the Prime Vendor may be required to update its CONOPs based on conditions on the ground. This contingency CONOPs may be tested at any time throughout the life of the contract. Such testing will be at no additional costs to the Government and shall be included in the Prime Vendors distribution price.

**IX. QUALITY CONTROL, QUALITY ASSURANCE AND INSPECTIONS****A. PRODUCT QUALITY****1. Shelf-life:**

- i. Acceptance of supplies awarded under this solicitation will be limited to product processed and packed from the latest seasonal and/or latest pack available during the specific annual contract period. For annual pack items, including seasonal items, products will be from the latest seasonal pack available, unless approved in advance by the Contracting Officer.
- ii. For items produced with shelf life greater than 150 days, no product shall be delivered to customers with less than 30 days manufacturer's original shelf life remaining unless the customer grants prior written approval.
- iii. For items produced with shelf life less than 150 days, no product shall be delivered to customers with less than 5 days manufacturer's original shelf life remaining unless the customer grants prior written approval.
- iv. All products delivered shall be as fresh as possible and well within the manufacturer's original shelf life (i.e., Best if Used by Date, Expiration Date, or other markings). All products shall be identified with readable "open coded" "Best When Used by Date," "Sell by Date," date of production, date of processing/pasteurization or similar marking indicating the end of the guaranteed freshness date.
- v. Products required by the DLA Troop Support Item Description to be chilled must be maintained and delivered chilled; products required to be frozen must be delivered frozen to the DLA Troop Support customer unless approved by the Contracting Officer. Some products commonly sold as "Chill" in the commercial market may be required to be frozen, as described and identified as "Frozen" within the DLA Troop Support item description. This is due to customer need and shipment to OCONUS locations, so these specific items should be purchased frozen from the manufacturer. These short-shelf life "chilled" items that require delivery/storage in a frozen state may include but are not limited to: hot dogs, bologna, bacon, deli meat(s), cooked ham(s), other cooked meat(s), and cheeses. These items should be frozen at the manufacturer's plant. If the manufacturer does not have this capability, then the contractor is responsible. These items, identified as "Frozen" shall be blast-frozen by the contractor following the manufacturer's "Freeze-by- Date" guidelines to preclude degradation and extend shelf-life. The contractor's label shall correlate with the manufacturers' frozen shelf life recommendations for each type of product. All documentation of the manufacturer's recommended "Freeze-by-Date" and the frozen item recommended shelf life should be available for review if the product is blast-frozen at the contractor's facility. NOTE: a product designated by DLA Troop Support as "Frozen" shall never be frozen using a slow-frozen process.
- vi. Ship Load-Out, Top-Off, Carrier and Large Deck Support customers: The contractor must supply products for a ship load-out or top off with a shelf life of not less than 50% of the products' original shelf life remaining. Expiration dates are based on the manufacturer's shelf

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life of the product. Exceptions will be decided by the Contracting Officer on a case-by-case basis based on input from the customer.

vii. The contractor must maintain adequate inventory turnover rate information. The contractor must also have a system that tracks and aids in the control of shelf-life and proper shelf-life dating for items normally inventoried.

## 2. Expired Product/Shelf Life Extensions:

It is NOT DLA Troop Support's Policy to grant shelf life extensions for contractor product. However, on a limited case by case basis, the Contracting Officer reserves the right to authorize extensions giving consideration to the reason requested, manufacturer letter of extension granted, customer approval, and price reduction offered. The procedures for contractor request for shelf life extensions for contractor product are as follows:

- i. The Prime Vendor submits the extension request to the Contracting Officer. The paperwork shall include the following: NSN, Part Number, Item Description, original number of cases received, date received at PV facility, Manufacturer's original expiration date, number of cases issued, number of cases remaining/in-stock, Dollar Value, Price Reduction Offered, Reason/Justification for the request (slow-moving, error on quantity ordered VS quantity requested by customers, etc.), Manufacturer Letter of Extension, and Manufacturer's extended expiration date. If acceptance of request is considered by the Contracting Officer, the Contracting Officer Representative(COR), as designated, coordinates/requests inspection of products from the local Military Inspection services (Veterinarian/Medical) for each specific product on the list.
- ii. The Military Inspection Services (Veterinarian/medical personnel) inspect each product (in accordance with their list of priorities) for wholesomeness and fit for continue use. Products found fit for a shelf life extension should be extended (by the Military Inspection Services) by taking into consideration the length of the extension guarantee by the manufacturer and their own inspection results. Items fit for continue use should be extended using a MEDCOM Form 817 Quality Assurance Representative Correspondence form or other approved inspection document. The shelf-life of a product will not be extended, regardless of the Manufacturer Letter of Extension, if the Military Inspections Services inspection's results indicates unwholesomeness or product is not fit for continue use.
- iii. If shelf life extension is approved (after all the above steps are met), the Contracting Officer replies to the Prime Vendor with accept/reject of the submitted request for extension package for each item in question. The COR coordinates shelf life extension approvals to ensure items extended are issued immediately to customers agreeing to receive the products to preclude further product degradation. A copy of the shelf life extension approval (MEDCOM Form 817 and/or other Military Inspection Services paperwork) must accompany each shipment containing the extended product. Shelf-life shall only be extended once for any specific product. All requests for shelf life extensions for a product that was previously (shelf life) extended will be rejected by the Contracting Officer.

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iv. The contractor must request customer approval prior to delivering any product that has an extended shelf life.

3. Commercial standards should be used to maintain temperatures appropriate for individual items.

i. Level of Product Quality:

When designating an item as a match for the DLA Troop Support item in the market basket, the item must be:

a. Identical in respect to packaging when the DLA Troop Support unit of issue is not described by weights (e.g., pound or ounce).

b. Identical for portion control items, except that pack size may vary. For example, NSN 8905-00-133-5889 “Beef Braising Steak, Swiss” is described as “frozen, formed, portion-cut, not mechanically tenderized, US Choice Grade or higher, 6 oz each, NAMP 1102 or equivalent, from knuckle, inside round, Eye of Round, or Outside Round, 53 lbs. per box.” The requirement for the formed six (6) ounce portion must be identical. However, if the commercial pack size were a 15-lb. box, it would be acceptable by modifying the unit of issue ratio in the STORES ordering system. In respect to the previous examples, the DOD ordering activities require continuity with the DOD unit of issue for proper inventory and accounting within DOD.

c. Equivalent in respect to grade or fabrication.

ii. All items must meet or exceed the Government’s item description of their assigned Government stock number.

4. Security Considerations / Product Protection / Food Defense

i. Accordingly, the awardee shall submit a Food Defense plan (NOTE: to download a copy of the DLA Troop Support Food Defense Checklist go to [http://www.dla.mil/Portals/104/Documents/TroopSupport/Subsistence/FoodSafety/FoodQuality/TS\\_fs\\_check\\_151204.pdf](http://www.dla.mil/Portals/104/Documents/TroopSupport/Subsistence/FoodSafety/FoodQuality/TS_fs_check_151204.pdf) or contact the applicable Contracting Officer or the DLA Troop Support Quality Audits & Food Defense Branch) prior to the start of production under any resultant contract to describe what steps their firm has taken and will take to prevent product tampering and contamination. The awardee will also describe what steps have been or will be taken that relate to overall plant security and food safety. The contractor must describe in detail the types of measures in place or scheduled to be put in place for the performance period of this contract. DLA Troop Support - FTSB will conduct Food Defense Audits/reviews during PV Product Quality Audits, Unannounced Quality Systems Management Visits and/or other visits to verify the implementation, compliance and effectiveness of the firm’s Food Defense Plan. DLA may request a copy of a firm’s Food Defense Plan at any time during the evaluation of the solicitation. Firms should include specific security measures relating to but not limited to the following areas:



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- a. Employee Identification
- b. Background checks where applicable
- c. Control of access to plant facility, gates and doors at the facility
- d. Internal Security
- e. Training and security awareness
- f. Product Integrity
- g. Transportation Security

## **B. PRODUCT SANITARILY APPROVED SOURCE REQUIREMENTS**

Applicable food products, e.g. poultry, dairy and seafood items, delivered to customers listed in this solicitation, as well as any customer added to the Subsistence Prime Vendor Program, shall originate either from an establishment listed in the “Directory of Sanitarily Approved Food Establishments For Armed Forces Procurements,” or one which has been inspected under the guidance of the United States Department of Commerce (“USDC”) or the United States Department of Agriculture (“USDA”). For detailed information see “Sanitary Conditions” requirement per DLAD 52.246-9044.

Any warehouse/storage facility used by the Prime Vendor to store food products intended for DLA customers must be inspected for sanitation and food defense compliance during Joint Quality Audits performed by USDA-AMS’ and DLA Troop Support ‘s Quality Auditors or by USDA-AMS’s Auditors as requested/directed by DLA.

Note: If the Prime Vendor stores, distributes, processes, and/or ships fresh fruits and vegetables (i.e. produce) to DLA customers, the USDA Guidance for fresh fruits and vegetables is the USDA-AMS Good Agricultural Practices (“GAP”) Verification Directory or the USDA- AMS Good Handling Practices (“GHP”)/Verification Directory for fresh fruits and vegetables. As applicable, a Hazard Analysis and Critical Control Point (“HACCP”) Audit will be performed if a fresh-cut operation is performed at the Prime Vendor’s facility. Bulk Fresh fruits and vegetable suppliers must be inspected and listed under the USDA-AMS GAP and/or the GHP Directory.

## **C. WARRANTIES**

The supplies furnished under the resultant contract(s) shall be covered by the most favorable commercial warranties that the contractor gives to any customer. The supplies and the rights and remedies provided therein are in addition to, and do not limit, any rights afforded to the Government by Clause 52.212-4(o) “Warranty”, “Contract Terms and Conditions-Commercial Items” and any addendum contained in the solicitation. The contractor will provide a copy of their most favorable commercial warranty to the Contracting Officer after award.

## **D. QUALITY PROGRAM**

1. An established Supplier Selection or certification program, which promotes competition and results in consistent quality with minimal variation in product, shall be used to ensure standardized product quality for each item supplied and/or listed in the stock catalogs, regardless of supplier. The rationale for choosing the supplier is based on successful relationships. The product quality shall be equal to that described in the pertinent item specification. Product characteristics shall be standardized to the extent that variations in flavor, odor, and texture will be minimized.
2. The contractor shall have a formal quality assurance program and a quality control manager that is

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responsible for oversight of the program. All aspects of quality as related to this subsistence contractor program shall be proactively monitored and evaluated by the contractor.

3. The contractor shall have inspection procedures that ensure the receipt, storage, and outbound movement of quality products to the customer. The contractor shall have adequate automated procedures, including procedures to ensure that the temperature and humidity controls that the contractor have in place are adequate and working.

4. The contractor shall develop and maintain a quality program for the product acquisition, warehousing and distribution to assure the following:

- i. Standardized product quality;
- ii. Wholesome product by veterinary standards;
- iii. The usage of First-Expired, First-Out (FEFO) principles
- iv. Product shelf life is monitored;
- v. Items are free of damage;
- vi. Items are segregated in OCONUS warehouses from commercial products;
- vii. Correct items and quantities are selected and delivered;
- viii. Ensure requirements of the Berry Amendment are met, when applicable;
- ix. Customer satisfaction is monitored;
- x. Product discrepancies and complaints are resolved and corrective action is initiated;
- xi. Manufacturer, FDA, or DOD initiated food recalls are promptly reported to customers and DLA Troop Support;
- xii. Compliance with EPA and OSHA requirements;
- xiii. Distressed or salvaged items or products shall not be used;
- xiv. Applicable food products delivered originate from a source listed as a Sanitarily Approved Food Establishment for Armed Forces Procurement;
- xv. Hazard Analysis and Critical Control Point (HAACP), if applicable;
- xvii. Commercial standards are used to maintain temperatures appropriate for individual items.

**E. QUALITY SYSTEMS MANAGEMENT VISITS AND AUDITS****1. Quality Systems Management Visits (QSMVs)**

i. The Supplier Support Division's audit personnel will conduct unannounced Quality Systems Management Visits (QSMVs) to review the contractor's compliance with the terms of the contract. The visits will be either on a routine basis or as a result of unsatisfactory ratings received during DLA Troop Support Product Audits, customers' complaints, requests from the Contracting Officer, or as deemed necessary by the Government. QSMVs may include visits to subcontractors and/or product suppliers/food distributors used by the contractor. If DLA Troop Support deems it necessary to conduct an on-site visit with a subcontractor, product supplier and/or food distributor used by the contractor, the contractor shall make arrangements for these visits. During the QSMV the Government may review/verify one, several or all of the following areas (this list is not inclusive) as deemed necessary: The methods and procedures used to comply with the terms of the contract; condition of storage facilities; product shelf-life management; inventory in-stock (age of product and condition, labeling, product rotation (FIFO), etc.); shelf life extensions; product substitutions; control of material targeted for destruction/disposal or to return to suppliers as a result of customers' returns including DLA Troop Support's contractor audit results and other recalls; review of paperwork for product destroyed/condemned or returned to supplier including but not limited to product rated Blue/Red during the last DLA Troop Support audit, customer, returns, etc.; customer's notification on product recalls (product rated Blue/Red/other reason), etc.; contractor's response to customer returns/issues and visits to customers' locations. The QSMV may also include unannounced visits to customers served by the contractor.

ii. The contractor must provide the Government a report showing all DLA Troop Support catalog products sorted by location when the QSMV Team arrives. The contractor's technical proposal will be incorporated by reference into the contract.

iii. The contractor will be responsible for complying with its technical proposal. Procedures and processes set forth in the contractor's technical proposal may be used as standards for a QSMV. If there is any conflict between the solicitation language and the contractor's technical proposal, the solicitation language governs

iv. The contractor must take corrective action to address any concerns identified as a result of the QSMV. Concerns identified during the QSMV, or contractor failure to take corrective action in response to QSMV findings, will be grounds for terminating the contractor's contract. The government may, at its discretion, take other action to correct the concerns identified during the QSMV, such as but not limited to unannounced QSMVs. Such action will not constitute Government forbearance or waiver of noncompliance with contract requirements, and will not affect the government's right to terminate the contractor's contract or take other corrective or adverse action.

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2. Product Quality Audits:

i. Basic Audits

a. The DLA Troop Support Worldwide Food Audit Program, covering all Food Classes within a contractor's catalog (Meat, Poultry, Seafood and Processed Products, and other items as deemed appropriate) functions as a Service and Quality Assurance check for our DOD customers to ensure the war fighters are receiving products of an optimum quality level. The audit objectives focus on the following to ensure:

- (a) Contractor adherence to contract requirements;
- (b) The quality level of the materials supplied is satisfactory and uniform throughout the DLA Troop Support -FT Subsistence Prime Vendor Regions; and
- (c) There is no product misrepresentation or unapproved substitution.

b. The Audit objectives are accomplished utilizing the expertise of the U.S. Dept. of Agriculture (USDA) Agricultural Marketing Service (AMS) Meat, Poultry and Processed Products Graders, U.S. Dept. of Commerce (USDC) National Marine Fisheries Services and DLA Troop Support -FT Quality Assurance personnel. Representatives from the above agencies form the DLA Troop Support Worldwide Food Audit Team.

c. Each contractor will undergo an initial audit once per contract tier pricing period with the first audit occurring during the first tier pricing period and other initial audits occurring once per each following tier pricing period. The Audits are conducted as a product cutting. The average cost of one Food Audit is approximately \$9,500.00 (product cost only). As a contractor, you will be expected to provide samples of the government's choice at a cost of approximately \$9,500.00 per audit. Additional cost may be incurred by the contractor if the contractor's facility does not have a facility/kitchen or the equipment needed to perform the audit. The cost is part of the distribution price. Product destruction and transportation to the destruction site, is applicable, is the responsibility of the contractor.

ii. Audit Process

a. The Prime Vendor will be given advanced notice of not more than sixty (60) calendar days of an impending audit. Notwithstanding this, the Government reserves the right to conduct unannounced Produce Quality Audits or QSMVs.

b. DLA Troop Support PV Quality Audits are typically a three (3) day process. Day one is devoted to sample selection at the Prime Vendor's warehouse. Day two and three encompass the performance of the actual audit.

c. If PV stores, distributes and/or ships fresh fruits and vegetables (Produce) to DLA customers, a Produce Quality Audit may be conducted in conjunction with the PV

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Quality Audit or separately. Also a Joint DLA/USDA-AMS Good Agricultural Practices (GAP)/Good Handling Practices (GHP)/HACCP (if fresh-cut operation performed at PV facility) will be performed. A Produce Quality Audit is typically a two (2) day process. Day one is devoted to sample selection at the contractor's warehouse and performance of the GAP/GHP/HACCP Audit. Day two encompasses the performance of the actual Produce Quality audit, a Joint USDA-AMS effort. Warehouse/storage facility used by the PV to store food products intended for DLA customers will be inspected for sanitation and food defense compliance during Joint Quality Audits performed by USDA-AMS' and DLA Troop Support 's Quality Auditors or by USDA-AMS's Auditors as requested/directed by DLA.

- d. The DLA Troop Support Produce Quality Audit is typically a two (2) day process. Day one is devoted to sample selection at the contractor's warehouse and performance of the USDA's Good Agricultural Practices (GAP) & Good Handling Practices (GHP) Audits. Day two encompasses the performance of the actual Produce Quality audit.
- e. Upon arrival at the contractor's facility (Day One), the Lead Auditor will provide a list of items identified for evaluation and the samples will be selected by a USDA-AMS' Auditor. The Lead Auditor will accompany the USDA-AMS during the performance of the GAP/GHP Audits.
- f. Items selected for evaluation will be segregated from the contractor's regular inventory and appropriate procedures shall be used to maintain the integrity of the samples. Evidence that the contractor has replaced or tampered with samples, or otherwise interfered with the audit samples and/or audit process will result in the contractor failing the audit. One or more audit failures may be grounds for terminating the contract.
- g. During the Produce Quality Audit (days two), the DLA Troop Support Lead Auditor will assign an item rating based on compliance with or departure from stated requirements in the DLA Troop Support NSN catalog and the specified US Grade Standard.
- h. Once an audit has been scheduled, the DLA Troop Support Lead Auditor will arrive at the Prime Vendor's warehouse on day one and provide a list of items identified for evaluation and select items to be inspected during the course of the audit.
- i. During the Audit (days two and three), the DLA Troop Support Lead Auditor will assign an item rating based on compliance with or departure from stated requirements as specified in the DLA Troop Support NSN, LSN, or NAPA catalogs. Items will also be audited to determine compliance with the Berry Amendment, approved source requirements, FDA Retail Food Code, USDA Warehousing Standards, Good Manufacturing Practice, additional provisions of the Code of Federal Regulations and other applicable standards.
- j. Deviations from the contract or stock number requirements will be color coded and

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classified based on the severity of departure from requirements as follows:

**PV PRODUT AUDIT RATINGS (COLOR CODE RATING SYMBOLOGY)**

**ACCEPTABLE (GREEN)** = Acceptable. No deviations from the contract or the item description stock number requirements.

**MINOR NONCONFORMANCE (YELLOW)** = Not fully acceptable. A Minor nonconformance is a deviation from the contract or the item description stock number requirements. This minor nonconformance is not likely to materially reduce the usability or serviceability of the item for its intended purpose or affect its condition and/or the continued storage of the item for further use. Examples of minor nonconformance's: Cataloging issues; Minor workmanship/fabrication violations; Minor weight/portion control violations; Items that exhibit very slight freezer burn or dehydration on some sample units; Minor deviations from packing, packaging, labeling and marking requirements that would not necessitate a regulatory market suspension or affect DLA Troop Support ability to recall the item.

**ACTION REQUIRED:** This nonconformance requires attention from the PV. Minor nonconformances may be tolerated by the customer for a short period of time (until the PV receives a new product at OCONUS but for no more than 30 days at CONUS locations).

**MAJOR NONCONFORMANCE (BLUE)** = A major nonconformance, other than critical, is a deviation from the contract or the item description stock number requirements. This major nonconformance is a deviation that materially affects or is likely to have a major effect on the serviceability, usability, condition and/or continued storage of an item for further use. Examples of major nonconformance's: Domestic source/regulatory/approved source violations; Wrong item; Grade failures or mismatch; Major workmanship/fabrication violations; Major weight/portion control violations; Item shelf life/ expiration date violations; Not latest season pack/crop year violations; Items that exhibit major freezer burn or dehydration, temperature abuse, and/or other off condition that although not likely to result in hazardous or unsafe conditions, the defect and/or combination of defects materially affect the item serviceability for its intended purpose and/or prevents the performance and production of an end item/meal by the customer; and/or major deviations from packing, packaging, labeling and markings that would necessitate a regulatory market suspension or have a major effect on DLA Troop Support's ability to recall the product.

**ACTION REQUIRED:** PV is required to STOP ISSUE of the item, unless otherwise approved by the Contracting Officer.

**CRITICAL NONCONFORMANCE (RED)** = A critical nonconformance is a deviation that judgment and experience indicate consumption of the item is likely to result in hazardous or unsafe conditions for individuals. An item will receive a Red Rating if it contains a critical defect(s) that involve food safety issues such as

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wholesomeness, foreign material, contamination or adulteration issues that judgment and experience indicate consumption of the item is likely to result in hazardous or unsafe conditions for individuals. Examples of critical nonconformance's: Items with food safety concerns are those items that exhibit decomposition, contamination, foreign material, and/or other conditions that render an item unfit for human consumption.

**ACTION REQUIRED:** PV is required to STOP ISSUE of the item, immediately NOTIFY DOD CUSTOMERS, REQUEST RETURN of the item in question, and notify supplier/producer of the item (if applicable).

**NOTES:**

**1/ MAJOR NONCONFORMANCE (BLUE)** = In PV OCONUS locations only, the Contracting Officer may approve continue issue of the item because of location extenuating circumstances and on a case-by-case basis. This approval is depending on the type and severity of the deviation; DLA Troop Support -FTSB' Lead Auditor recommendation; customer approval; and if the same item and/or a substitute of equal/higher technical quality is Not-in-Stock at OCONUS location. Continue issue of the item may require and include PV screening/rework of the nonconforming item and follow-up Government inspection/audit to verify action taken by the PV (at no cost to the Government for inspection/travel costs). At CONUS/OCONUS locations, only the Contracting Officer, not the customer or the Lead Auditor, has the authority to accept wrong items (not meeting item description cited in DLA Troop Support catalogs). The rating assigned to the item WILL NOT be changed by the Lead Auditor because of acceptance with a waiver/rework/repair of the item is in question. The DLA Troop Support Food Safety Office (DLA Troop Support -FTW), at the request of the Contracting Officer, may issue a restricted (to DLA Troop Support customers only) Hazardous Food Recall for all those items originating from an unapproved source and distributed to DLA Troop Support customers worldwide.

**2/ CRITICAL NONCONFORMANCE (RED)** = The DLA Troop Support Food Safety Office (DLA Troop Support -FTW) will issue a Hazardous Food Recall for all critical nonconformance's involving items with food safety concerns that render an item unfit for human consumption or may present a health hazard for DOD customers. If applicable, the Contracting Officer should suggest suppliers/producers of the item to review shipping documents to ensure the same item was not delivered to other DOD customers.

iii. Audit Preparation

The contractor is responsible for and will bear all costs for the facility and the equipment/supplies used during the audit. Immediately upon receipt of the audit notification, the contractor shall make arrangements to use their normal product cutting room/kitchen (if adequate) or find another facility for the audit. If there is no space available at the contractor facility or the space is inadequate other arrangements must be made by the contractor. The room must be equipped with running water. Cleanup of the cutting area/room and Continuous cleanup of equipment will be the contractor's responsibility. The contractor must call the Lead Auditor to discuss the location, adequacy of the facility, and equipment available as soon as

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possible but no later than 45 Calendar days prior to the audit. The following is the list of equipment / personnel that may be needed:

- (a) Freezer storage area to store samples selected.
- (b) Chill area for tempering product for approximately 10 + pallets.
- (c) Tables for conducting the audit and demonstration.
- (d) Sinks/wash area equipped with sanitizing soap for cleaning knives and equipment.
- (e) Water jet spray attachment for the sink.
- (f) Pans or work area in close proximity to a sink area to drain/purge from packaged product.
- (g) Deep fat fryer.
- (h) Microwave.
- (i) Calibrated scales – A scale capable of weighting portion control items and roasts; a large scale capable of weighting large cases (weighing up to 70 pounds); a digital portion scale capable of weighting in ounces and grams.
- (j) A minimum of 10 large flat baking sheet pans, plastic trays or some type of tubs to place thawed meats. Cart to move samples around.
- (k) Cutting boards (two or three).
- (l) Large trash cans with bags.
- (m) Power hook-up for 3-4 computers. Access to a copy machine.
- (n) Small box for ground beef samples (Approx. 10 oz) and dry ice or cold packs for mailing.
- (o) Miscellaneous supplies: Paper towels; heavy-duty plastic bags; one box of large latex gloves; paper flip chart/easel with markers (RED, BLUE, ORANGE, GREEN, BLACK); cellophane tape.
- (p) Optional but considered highly desirable: Cloth towels and floor covering to maintain clean and sanitary floor areas.
- (q) A camera and a person to take digital pictures during the audit may be required.
- (r) A copy of the pictures will be e-mailed to the DLA Troop Support auditor at the end of the audit.

#### iv. Sample List/Selection of Samples

a. The DLA Troop Support Lead Auditor will provide a list of sample items upon arrival at the contractor facility. Two samples for each item will be selected. Pick list/picker stickers, six month velocity or usage report, and an on-hand inventory quantity report (i.e. number of cases on hand) should be developed for each item after receipt of the list. In addition, since all seafood items are required to originate from an approved source, copies of certificates/documentation for these items and any item on the list that is required to be certified must be available for review upon arrival at the facility. Warehousing assistance will be required to pull and prepare samples for the audit. Assistance with moving samples from the storage areas to the audit area and also continuous removal of items after review will be required on audit days. Some samples will require tempering/thawing. An area will need to be provided for the sample tempering process with a capacity for at least 10 or more single layer pallets side by side. In order to rapidly temper these items the warmest area at the facility will be needed.



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b. Upon tempering the items will need to be placed in a chilled environment. All samples must be stored in controlled conditions to protect from abuse or tampering. The meat audit items (approx. 13-20) will be primarily Center of the Plate – Beef and Pork- Steaks, Roasts, Chops, Diced, and Ground items. Ground Beef Bulk and Patties will be sent to the USDA laboratory for Analytical testing- Fat only. The contractor will need to arrange for the shipping of the samples approximately 4 ounces, except in OCONUS areas where prohibition exists or it is impractical. The seafood items (approx. 13-20) will consist of Fish - Portions, Sticks, Fillets, and Steaks, Shrimp, Lobster, Crab, Clam, Oyster, and Crawfish. Poultry items (approx. 13- 20) will also be center of the plate items. Processed Products Fruit and Vegetable will consist of approximately 13-20 Items.

NOTE: Certification/Documentation - To avoid delays/questions during the audit, the PV should ensure that ALL products intended for DLA Troop Support customers are derived from Approved Sources and meet the Berry Amendment requirements (unless otherwise is excluded in the contract/FAR/DFAR or authorized by the Contracting Officer). The PV should obtain and have the following certifications/documentation available during the sample selection (preferable) and/or during the audit should the Lead Auditor need to review documentation to verify compliance with the following: All Seafood items are required to originate from an approved domestic source; processed fruits and vegetables are required to be from the latest seasonal pack (crop year) available, so be prepared to provide seasonal pack/crop year information for samples selected; and any item on the list that is required to be certified must be available for review.

v. Audit Results

The audit results are performance indicators that will be used in conjunction with a firm's past performance. DLA Troop Support considers 85% acceptability for each category (Meats, Poultry, Seafood, and Processed Products) as the minimum standard for acceptable performance. Contractors will be given a detailed report on each product reviewed. It will be the contractor's responsibility to take immediate action to correct any deficiency uncovered during the audit. Corrective action must include action to address the deficiency and the system which allowed the deficiency to occur. Audit failures and/or failure to take corrective action will be grounds for terminating the contract.

vi. Follow-Up Audits

Follow up audits may be scheduled within a one-year period of the initial audit as deemed necessary by the Government. Grounds for follow-up audits include but are not limited to failure to obtain an acceptable rating (<85%) in one or more commodities, repetitive failures, and customer complaints. All samples, audit facility, and equipment/supplies needed for the follow-up, same as indicated above for the initial audit, are to be at the expense of the contractor.

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Additionally, the Prime Vendor may be liable for Government costs (USDA-AMS/USDC inspection costs, travel, per diem, administration, etc.) incurred as a result of performing a follow-up audit. During a follow-up audit only those commodities that failed the initial audit (scored <85%) will be audited. Also, a commodity that had an unreasonable number of items not-in-stock (more than 50% of items listed in the PV's catalog were NIS) during the initial audit, may also be audited during a follow-up. If the follow-up is a one-day audit (one or two commodities) these samples may require removal from refrigeration and/or frequent monitoring by PV's personnel the previous day/evening to ensure thawing within a 24-hour period. Additionally, the DLA Troop Support -FTSB's Lead Auditor may stop at the facility to review the thawing progress the evening before the audit.

vii. Audit failures

As noted herein, audit failures and/or failure to take corrective action will be grounds for terminating the contract. The government may, at its discretion, take other action to address the audit failure such as, but not limited to unannounced QSMVs or follow-up audits. Such action will not constitute Government forbearance or waiver of the deficiency and will not affect the government's right to terminate the contractor contract or pursue other corrective or adverse actions against the contractor.

## **F. WAREHOUSING AND SANITATION PROGRAM/STORED PRODUCT PEST MANAGEMENT**

The contractor shall develop and maintain an approved, commercial sanitation certification and adhere to a stored product pest management program for the food and other co-located non-food items that comply with industry standard programs such as the Code of Federal Regulations, Title 21, Part 110, Food manufacturing Practices, the Federal Insecticide, Fungicide, and Rodenticide Act, the Food, Drug, and Cosmetic Act of 1938 as well as all pertinent state and local laws and regulations. Records of inspections performed by the firm, subcontractor, or recognized industry association shall be maintained and made available to the Government at the Contracting Officer's request. Any findings by the firm or its agent documenting a critical sanitation deficiency shall be reported immediately to the Contracting Officer with an attached report of corrective action.

## **G. DELIVERY TEMPERATURES, SHIPPING AND STORAGE REQUIREMENTS**

1. The contractor is responsible for proper product storage, segregation and delivery of product in excellent condition. The following will apply:
  - i. In order for frozen items to be accepted by the receiving activity, the following criteria must be observed:
    - a. Packages must be solid, not soft, upon arrival;
    - b. Container and wrapping must be intact, not damaged, and in a solid condition;
    - c. Packages must be free of drip and show no evidence of thawing and re-freezing (i.e. watermarks on boxes; off odor) or dehydration; and

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- d. Cello wrapped packages will not be discolored or show other signs of freezer burn.
- 2. Items requiring “Protection from Heat” shall be stored and delivered at a temperature below 70 degrees Fahrenheit.
- 3. Items requiring chilled conditions shall be stored and delivered under refrigeration of 32 to 40 degrees Fahrenheit.
- 4. For ice cream, the recommended storage and delivery temperature is –10 degrees Fahrenheit and the temperature shall not exceed 0 degrees Fahrenheit

## **H. REJECTION PROCEDURES**

- 1. If product is determined to be defective, damaged, and/or compromised in any other manner, it may be rejected by the authorized Government receiving official.
- 2. When product is found to be non-conforming or damaged, or otherwise suspect, the authorized Government receiving official shall reject the item and/or determine the course of action to be taken with the product in question. If present, the Contracting Officer Representative (COR) may be consulted. The final decision is to be made by the authorized Government receiving official or Contracting Officer.
- 3. In the event an item is rejected, the delivery ticket/invoice shall be annotated as to the item(s) rejected. These items shall then be deducted from the delivery ticket/invoice. The delivery ticket/invoice total must be adjusted to reflect the correct dollar value of the shipment.
- 4. Replacements will be authorized based on the customer’s needs. Any replacement delivered items will be delivered under a separate delivery ticket/invoice utilizing a new call number, CLIN number, and delivery order number. These re-deliveries will not constitute an emergency requirement and therefore will have no additional charges.
- 5. In the event that a product is rejected after initial delivery is made, the contractor may be required to pick up the rejected product or the customer may agree to dispose of it. Credit due to the ordering activity as a result of the rejected product being returned, will be handled through a receipts adjustment process in STORES. If the contractor has already been paid for the product, an offset will be issued through DLA Troop Support’s financial system.
- 6. Government policy requires that product shall be inspected upon receipt as promptly as practicable. However, failure to promptly inspect or accept supplies shall not relieve the contractor from responsibility, nor impose liability on any of the customers, for nonconforming supplies.
- 7. Supplies transported in vehicles which are unsecured, show signs of tampering, not sanitary, or which are not equipped to maintain prescribed temperatures, may be rejected summarily without further inspection.

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8. Product that is rejected shall not be delivered to any customer.

**I. AUTHORIZED RETURNS:**

The contractor shall accept returns under the following conditions:

- i. Products shipped in error;
- ii. Products damaged in shipment;
- iii. Products with concealed or latent damage;
- iv. Products that are recalled;
- v. Products that do not meet shelf life requirements;
- vi. Products that do not meet the minimum quality requirements as defined for the items listed on the catalog;
- vii. Products delivered in unsanitary delivery vehicles;
- viii. Products delivered that fail to meet the minimum/maximum specified temperature;
- ix. Quantity excess as a result of order fulfillment error by the contractor / and or purchase ratio factor error; and
- x. Any other condition not specified above that is determined a valid reason by the customer.

**J. SHORT SHIPMENTS AND SHIPPING ERRORS:**

1. The authorized Government acceptance official will annotate short shipment(s) on the delivery ticket/invoice that accompany the delivery. Once complete, the acceptance official will print their full name, sign and date the delivery ticket/invoice. The Prime Vendor's representative (i.e. the truck driver/pilot), will acknowledge and counter-sign the delivery ticket/invoice. Both Government acceptance official's and the Prime Vendor's representative's signatures MUST be legible. If either signature is not legible, the delivery ticket/invoice payment may be delayed or not processed at all.
2. Any product delivered in error by the contractor must be picked up on the next delivery day after notification by the ordering facility.

**K. ARMY VETERINARY INSPECTORS AND INSPECTIONS**

As described and detailed in this solicitation, all inspections by United States Army Public Health Command (USAPHC) (Formerly VETCOM) shall be conducted in accordance with 48 CFR Part 246, Army Regulation (AR) 40-657, AR 40-656, and any other rule, regulation, or standard food inspection policy applicable to the Subsistence Prime Vendor operating within this geographic area as may be established from time to time by CENTCOM, Third US Army, or any other Department of Defense entity (e.g., PACOM). Any and all inspection determinations made by the USAPHC shall be final.

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## **L. MILITARY INSPECTION AT DESTINATION**

1. All deliveries are subject to military inspection at destination. Delivery vehicles may be required to stop at a central location for inspection before proceeding to the assigned delivery point(s). Additionally, upon completing the delivery (or deliveries) and before the carrier leaves the installation, copies of the invoices may be required to be delivered to a central “Accounting Office” activity on the installation after all drops have been made and prior to the carrier’s departure from the installation.
2. Under normal conditions, all deliveries shall be F.O.B. Destination to the end user delivery points. The delivery points are indicated in the Customers Section below. For contractor delivery of products from the OCONUS facility(s), all items will be delivered to end-user customer delivery point’s loading platform (unless otherwise indicated) and be free of damage, with all packaging and packing intact. The Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charge involved before the actual delivery (or “constructive placement” as defined in carrier tariffs) of the supplies to the final destination. The contractor may be liable directly to the USTRANSCOM Universal Services Contract (USC) ocean carrier(s) for charges for detained containers, port storage of detained containers, and maintenance of detained refrigerated containers. The Contractor shall pay and bear all charges to the specified point of delivery. For complete definition of F.O.B. Destination, see FAR Clause, 52.247-34, F.O.B. DESTINATION, which is incorporated into this solicitation by reference.”
  - i. FOB Destination Shipments: (All shipments, unless otherwise specified by the Contracting Officer).
  - ii. Inspection and acceptance of products will be performed at destination by an authorized Government receiving official. The inspection is normally limited to identity, count and condition; however, this may be expanded if deemed necessary by either the military Veterinary Inspector, Dining Facility Manager, Food Service Advisor/Officer, or the Contracting Officer.
  - iii. The contractor’s delivery vehicles shall be equipped to maintain the appropriate temperatures and product segregation as necessary to deliver products at the proper temperature. Deliveries shall be made in clean, closed vehicles. When transporting food items, the vehicles shall be maintained in good sanitary condition to prevent contamination of the material. Delivery vehicles used to deliver items under this contract shall be subject to military veterinary inspection at destination. In addition, the delivery vehicles will be inspected for cleanliness and condition.

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iv. The authorized Government receiving official at each delivery point is responsible for inspecting and accepting products as they are delivered. The delivery ticket/invoice shall not be signed prior to the inspection of each product.

v. All overages/shortages/returns are to be noted on the delivery ticket/invoice by the authorized Government receiving official and truck driver/pilot. A signature on the delivery ticket/invoice denotes acceptance of the product.

vi. The contractor shall forward two (2) copies of the delivery ticket/invoice with the shipment. The authorized Government receiving official will use the delivery ticket/invoice as the receipt document. One (1) copy of the signed and annotated delivery ticket/invoice will serve as the acceptance document. No invoice may be submitted for payment until acceptance is verified.

3. Under special circumstances; i.e., special military exercises, F.O.B. Origin terms will apply. In these instances, the Government will accept product at the contractor's CONUS facility (FOB Origin) and a fifty percent (50%) reduction of the distribution price shall be applied. For complete definition of F.O.B. Origin, see FAR Clause, 52.247-29, F.O.B. ORIGIN, which is incorporated into this solicitation by reference. On any F.O.B. origin shipment, the contractor must arrange for USDA Inspection and is responsible for associated cost.

i. FOB Origin Shipments (Only when specified by the Contracting Officer).

ii. Inspection and acceptance of products will be performed at the contractor's CONUS distribution point by a USDA official (costs for this inspection program are borne by the contractor). Inspection will normally be limited to identity, count, and condition. The USDA official will sign the contractor prepared DD Form 250 form denoting acceptance of the product by the government. Invoices matching the DD250 quantities along with a copy of the DD250 will be express mailed by the contractor to both DLA Troop Support and the end customer.

## **X. PACKAGING, PACKING, AND LABELING**

A. All packaging and packing shall be in accordance with best commercial practices. Labeling shall be in accordance with commercial labeling complying with the Federal Food, Drug and Cosmetic Act and regulations promulgated there under. Shipping containers shall be in compliance with the National Motor Freight Classification and Uniform Freight Classification Code. The contractor shall be responsible for complying with any applicable packaging, packing, and marking regulations of the various countries in/through which product will be stored/transported.

B. Semi-perishable items shall be snugly packed in shipping containers that fully comply with the National Motor Freight Classification and Uniform Freight Classification Code, as applicable.

C. All food and beverage products shall be identified with open code dates clearly showing the use by date, date of production, date of processing/pasteurization, sell by date, best if used by date, or similar marking indicating the end of the guaranteed freshness date. The Prime Vendor shall provide a code book for label/date verification.

D. All meats, poultry, and seafood will be vacuum packed when practicable. In all instances the packaging

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must protect the product from freezer burn and contamination.

E. Frozen product must be processed and packed to allow removal of the individual units from the container without damage to that or other units. The intent is to be able to remove only that amount of product required for current needs, without the necessity of defrosting all units.

F. Chill and freeze products must be shipped in refrigerated (Reefer) Vans and appropriately separated per temperature requirements.

## **XI. MARKINGS**

A. To ensure that the carrier and the receiving activity properly handle and store items, standard commercial precautionary markings such as “KEEP FROZEN”, “KEEP REFRIGERATED”, etc. shall be used on all cases when appropriate.

B. To the maximum extent possible, nutritional and ingredient labels shall be placed on the individual package.

C. Any delivered product not labeled with the name and address of the manufacturing establishment must be identified as to its manufacturer by “timely” advance written notice to each installation’s officer in charge of food service (e.g. Installation Food Advisor (IFA)). The listing is requested in alphabetical order in respect to the shipping container nomenclature. This listing must be kept current and provided to each Installation’s Food Advisor, Food Service Officer, or FSC on a quarterly basis.

### **Case Marking/Labeling – Customers OTHER THAN THE NAVY**

Shipping cases shall be marked or labeled on one end or side panel with the following information:

Item Nomenclature or Description

Date of Pack

Product Expiration Date and/or

Open Code Date

D. CODE DATES: All products shall be identified with readable open code dates (open code dates are markings that indicate product expiration date). All products delivered by the contractor will have an “open coded” (month/year) “Date of Pack” (DOP) and an “open coded” “Best When Used By Date,” “Sell by Date,” date of production, date of processing/pasteurization or similar marking indicating the end of the guaranteed freshness date. If the product manufacturers/producers do not use open code dating the contractor should request labeling with open code dates or shall use the origin manufacturers/producers Product Code Key to decode the item shelf life information, decode the closed code date, and must apply the open code date to their own label. Item Nomenclature shall be sufficient to identify the item. It is mandatory that a label containing this information be on every case delivered. Bar Codes are not required on shipping cases. If bar codes become a requirement during the life of this contract, the Prime Vendor will be required to apply the bar codes as directed.

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**E. TRACEABILITY REQUIREMENTS FOR CONTRACTOR OR CONTRACTOR’S SUPPLIERS RE-PACKAGING AND RE- LABELING PRODUCTS:**

If the contractor removes the item from the manufacturer’s original packaging/shipping container and re-packages/re-labels an item, documentation must be maintained to trace the item back to the original producer/packer in case of a hazardous food recall or an item is rated Red/Critical during a DLA Troop Support audit. The contractor shall maintain or request from their suppliers documentation/certificates containing the following information: Item nomenclature, name and number of establishment, location, country of origin, date of production/pack (DOP), lot number, etc. If processing/production/packaging of the item occurred in more than one establishment, documentation for each item must also be maintained/provided. These records must maintain traceability of the item to the extent that a lot number/DOP/Code Date of an item can be traced back to the original manufacturers/producers of an end item. The manufacturer/producer and/or the contractor’s item label shall clearly identify the item(s) shelf life information (using an open code date) on the exterior of each case. In addition, the contractor must maintain records of quantities and when and where the re-packaged/re-labeled item(s) were shipped. The contractor must be able to show/provide DLA Troop Support Quality Auditors the documentation for samples selected during contractor Product Quality Audits or Unannounced Quality Systems Management Visits (QSMVs). It is the contractor’s responsibility to notify and ensure their suppliers understand and comply with this requirement.

F. The above requirements are necessary in the event of a food recall (i.e., ALFOODACT) of potentially hazardous products when a recall is issued by a Regulatory Agency and for the contractor to isolate suspected items in order to notify customers in an expeditious manner whenever products are rated “Red/Critical” during a DLA Troop Support audit. The above requirements serve two main purposes: (1) To protect DLA Troop Support’s customers and expeditiously notify them in case of accidental or intentional tempering/contamination and/or to prevent consumption of unsafe/hazardous products and (2) To maintain traceability of re-packaged/re-labeled items in order to verify country of origin, approved source requirement during the shelf life cycle of the item in the contractor storage and the customer's receipt/storage of the item in order to expedite the recall process for all suspected items intended for DLA Troop Support’s customers.

**XII. PALLETIZATION**

A. All contractor shipments must be palletized in accordance with good commercial practices. The contractor is responsible for the purchase of all pallets, which must be American sized pallets (48 x 40 inches). No pallet exchange programs will be available for the customers listed in this solicitation. Pallets may not always be returned on a 1 to 1 basis. This does not relieve the contractor from delivering products on the proper type pallet. Pallet retrieval and all associated costs shall be the responsibility of the contractor.

**Customers Other Than Navy Ships**

Palletization shall be in accordance with good commercial practices. Pallet height should not exceed 60”, including the pallet.

**For Navy Ship Customers Only**

All cases of product must be palletized. The type of pallet must only be a two way entry wing type pallet. Pallet height shall not exceed 45”, including the pallet. All pallets must be shrink-wrapped. Pallet retrieval, if requested by the ship customer, and all associated costs, shall be the responsibility of



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the contractor.

Cases may be mixed on a pallet as long as ANY one line item is not embedded in the pallet and not visible or if all cannot be sight counted without breaking down the pallet.

Palletized/containerized unit loads shall be stenciled, printed, or labeled on two adjacent sides as follows:

NSN

Item Nomenclature

Quantity, size and unit (quantity is the number of shipping cases in the unit load such as 40 Cs., 24 No. 2 ½ Cans)

Contract Number, Including Delivery Order Number and Lot Number

Name and Address of Prime Vendor

Date of Pack

Gross Weight and Cube

Prime Vendor's Name and Address

Date of Pack

Expiration Date

B. Cases may be mixed on the pallet, but are to be skillfully built to protect the product and case integrity as to allow the receiver to out check/in check all items on that pallet. All shipments must include a pallet manifest in addition to the truck manifest.

### **XIII. CUSTOMERS**

#### **A. KOREA CUSTOMERS**

The Republic of Korea customers currently consist of Army, Air Force, Marine, and Navy dining facilities. Along with Visiting Navy Ships, Morale, Welfare, and Recreation (MWR), and other federally funded customers. Ordering facilities (Customers) can be added and/or subtracted as conditions warrant based of U.S Government request and Military Service/Customer needs.

The following is a current list of Customers in the Area of Responsibility (AOR):

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DODAAC	CUSTOMER NAME	ADDRESS
CEDF06	JSA	S-149 CAMP BONIFAS CAMP BONIFAS
CHDF01	2ND MFAB	S-1134 DINING FACILITY UNIT #15711 PYONGTAEK
CHDF02	23RD SUPPORT CAMP HUMPHREYS	DINING FACILITY UNIT # PYONGTAEK
CHDF04	249TH MP DET CAMP HUMPHREYS	BLDG. S-1026 DINING FACILITY UNIT 15293 PYONGTAEK
CHDF05	1/43RD ADA, SUWON AB	S-2115 UNIT #15692 SUWON AB
DF0001	Camp Henry, HHC, 20th SPT GP	T-1320 Dining Facility, Unit #15494 Pusan
DF0002	CAMP WALKER, 19TH TAACOM	S-338 DINING FACILITY, UNIT #15015 PUSAN
DF0003	501ST CONSOLIDATED DINING FACILITY	S-233 CAMP CARROLL WAEGWAN
DF0007	HHC 1-52nd AVN, K-16, Songnam	S-209 Dining Facility, Unit #15266 Seoul
DF0009	EUSA Religious Retreat Center	T-1924 Dining Facility, Unit #15312 Yongsan
DF0010	Honor's Café	S-1416 DINING FACILITY, UNIT #15333 YONGSAN
DF0019	CSCT #3, Yongin	S-10 Dining Facility, Unit #15266 Yongin
FT9216	GINGKO TREE DINING FACILITY OSAN AB	BLDG# 1470 51 SVS/SVMF UNIT #2065 OSAN
FT9217	PACIFIC HOUSE OSAN AIR BASE KOREA	BLDG B-733 DINING FACILITY UNIT 2065 OSAN AB OSAN
FT9218	BACK OF THE HANGER OSAN AIR BASE	BLDG B-1741 DINING FACILITY UNIT 2065 OSAN AB OSAN
FT9219	OMALLEY IN KUNSAN AIR BASE KOREA	BLDG# B-550 UNIT 2105 BLDG B-550 KUNSANAB KOREA KUNSAN
FT9220	8 SVS/SVMFT CHARLIE'S PLACE DFAC	BLDG B-2850 UNIT # 2105 KUNSAN AIR BASE KOREA KUNSAN
FT9237	AIRMAN DINING FACILITY	BLDG #415 DET 607 ASUS/LGP TAEGU
FT9239	GWANG JU AB DINING FACILITY	UNIT 2120 BLDG 230 DFAC APO AP 607 MMS SVS DET 1 GWANG JU AB KOREA GWANG JU
FT9546	CDC OSAN AIR BASE KOREA	BLDG 738 UNIT 2065 TEXAS STREET OSAN
FT9901	NAF CENT WAREHOUSE OSAN AB K-55	BLDG 364 UNIT 2065 ALABAMA ROAD OSAN AB OSAN
FT9902	KUNSAN AB NAF WAREHOUSE	BLDG 1107 8 SVS/SVFN KUNSAN AB KUNSAN
HXRKYC	AAFES PACIFIC EXCH RGN	UNIT 15555 APO AP 96205-5555 SEOUL
M15017	CAMP MUJUK MESS HALL	BLDG 1104 UNIT 15017 CAMP MUJUK
M20209	YECHON ROKAF BASE	16FW PLANS OFFICE BLDG. 3196 YEOCHEN-2 LEE, KYEUNG BOOD, SOUTH YECHON
M29017	CAMP RODRIGUEZ RANGE COMPLEX	MESSHALL BLDG. S1251, USMC YONG PYONG NI YONG JUN MYON YONG PYONG
MEF312	CAMP MUJUK MESS HALL	BLDG 1008 UNIT 15017 POHANG
MEF316	CAMP BARAN	BLDG 601-206 CAMP BARAN POHANG
MEF3GY	PORT OF GWANGYANG	BLDG 214 BLDG 214 KEONBUDU-RO YEOSU
MEF3KO	CAMP MUJUCK MESS HALL	BLDG 1008 UNIT 15017 POHANG
MMR121	CAMP MUJUK	DDK RECEIVING BLDG 620 UNIT 15758 WAEGWAN KR
SP0320	DRAGON HILL LODGE	BLDG 4050 SOUTH POST YONGSAN 3 KA YONGSAN KU SEOUL
UIDF02	501ST CONSOLIDATED DINING FACILITY	BLDG S-2449 CAMP STANELY UIJONGBU
UIDF03	CG'S MESS	T-109 CAMP RED CLOUD UIJONGBU
UIDF05	6/37TH FA FIRES BDE	S-33 CAMP CASEY PONGBUCHON
UIDF08	NCO ACADEMY	S-2147 CAMP JACKSON UIJONGBU
UIDF12	122 SIG CRC	S-230 CAMP RED CLOUD UIJONGBU
UIDF15	HHD, 302ND BSB	S-639 CAMP CASEY TONGDUCHON
UIDF16	302ND BSB CASEY MAIN	S-2392 CAMP CASEY TONGDUCHON

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UIDF24	1BCT BTB	S-3755 CAMP HOVEY TONGDUCHON
UIDF25	D 302 BSB SPORTS CAFE	S-4158 CAMP HOVEY TONGDUCHON
W80MAX	DINING FACILITY UNIT #15244	BLDG S-7005 HHC 121ST GEN HOS BOX 596 SEOUL
W810WR	MWR SERVICES DIVISION	BLDG# 1022 POC MR. KIM SOK TAE NAF ACCT 23RD ASG SVC DIV PYONGTAEK
WT4HA0	SSMO 48 PUSAN	T- 1352 TISA 48 SUPPORT OPS DIV UNIT 15181 PUSAN
WT4KDZ	SSMO 38 CAMP CASEY	3213 CAMP CASEY TISA 38 UIJONGBU
WT4KEH	SSMO 51, YONGSAN	S-5402 UNIT #15333 SOUTH POST SEOUL
WT4KEJ	SSMO 52,CAMP HUMPHREYS	S-811 TISA 52, UNIT 15716 PYONGTAEK
W5J9XV	194TH CSSB	S-527 UNIT #15396 WONJU
W5J9XX	USACA-K	S-1026 HUMPHREYS PYONGTAEK
W5J9XY	SUWAN AB	S-2115 SUWAN PYONGTAEK
W5J9ZV	2ND CAB	S-1134 HUMPHREYS PYONGTAEK
N3498B	MWR CHINHAE, CENTRAL WAREHOUSE	PSC 479 COMFLEACT CHINHAE, MWR CHINHAE
	Transit Ships	
N20113	USNS FLINT T-AE-32	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N21245	USNS SAFEGUARD T-ARS 50	CONFLEACT CHINHAE PSC 497 CHINHAE
N21579	USNS WALTER S. DIEHL T- AO-193	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N21622	USNS TIPPECANOE T-AO-199	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N21636	USNS MERCY T-AH 19	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N21872	USNS RAINIER T AOE 7	BLDG3 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N22154	USNS BOWDITCH T-AGS 62	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N22256	USNS WATSON T-AKR 310	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N22258	USNS DAHL TAKR-312	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N22259	USNS RED CLOUD T-AKR 313	CHINHAE GALLEY, CHINHAE, KOREA CHINHAE
N22260	USNS CHARLTON T-AKR- 314	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N22263	USNS SODERMAN T-AKR-317	CHINHAE GALLEY CHINHAE, KOREA CHINHAE GALLEY, CHINHAE KOREA CHINHAE KOREA
N22266	USNS HENSON TAGS-63	CHINHAE GALLEY, CHINHAE, KOREA CHINHAE
N23005	USNS 1ST LT HARRY MARTIN T-AK-3015	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N23167	USNS MARY SEARS TAGS-65	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N23196	USNS AMELIA EARHART T- AKE 6	COMFLEACT CHINHAE PSC 497 COMFLEACT CHINHAE PSC 497 CHINHAE
N23197	USNS CARL BRASHEAR T- AKE 7	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N23198	USNS WALLY SCHIRRA T- AKE 8	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N23199	USNS MATTHEW PERRY T- AKE 9	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
N23602	USNS CHARLES DREW (T- AKE 10)	COMFLEACT CHIHAE CHINHAE
N23606	USNS MATTHEW PERRY T- AKE 9	GALLEY COMFLEACT CHIHAE CHINHAE
N23881	VADM K.R. WHEELER T-AG 5001	NAVY PIER CHINHAE
R05840	USS BLUE RIDGE	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R20825	USS JACKSONVILLE SSN	COMFLEACT CHINHAE PSC 497 CHINHAE
R20826	USS LA JOLLA	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R20887	USS SAN FRANCISCO	CONFLEACT CHINHAE PSC 497 CHINHAE
R21001	USS ALBUQUERQUE SSN-706	CHINHAE GALLEY CHINHAE KOREA CHINHAE GALLEY CHINHAE KOREA CHINHAE

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R21036	USS OHIO SSBN 726	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R21037	USS MICHIGAN SSBN-727	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21200	USS VANDEGRIFT FFG-48	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21235	USS FORD FFG-54	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21245	USS SAFEGUARD ARS 50	BLDG. #615 COMFEACT CHINHAE, PSC 497 CHINHAE
R21314	USS AVENGER MCM-1	CHINHAE GALLEY CHINHAE KOREA CHINHAE GALLEY CHINHAE KOREA CHINHAE
R21345	USS BUNKER HILL CG-52	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R21406	USS GUARDIAN MCM-5	BDLG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21412	USS GEORGE WASHINGTON CVN-73	CHINHAE GALLEY CHINHAE
R21451	USS CHANCELLORSVILLE CG 62	BLDG# 615 COMFEACT CHINHAE, PSC 497 CHINHAE
R21453	USS PATRIOT MCM-7	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21623	USS COWPENS CG-63	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21657	USS SHILOH CG-67	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R21686	USS JOHN MCCAIN DDG 56	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R21692	USS COLUMBUS SSN-762	BLDG 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21693	USS SANTA FE SSN 763	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R21817	USS COLUMBIA SSN-771	BLDG# 615 COMFLACT CHINHAE PSC 497 CHINHAE
R21824	USS FITZGERALD	US NAVY SHIP PUSAN
R21825	USS STETHEM (DDG-63)	FPO AE96678-1281 CHINHAE
R21831	USS GREENVILLE SSN 772	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R21832	CHEYENNE	CHINHAE NAVY SHIP CHINHAE
R21956	USS LASSEN (DDG-82)	FPO AE 96671-1299 CHINHAE
R22178	USS RONALD REGAN CVN- 76	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R22993	USS MCCAMPBELL DDG-85	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R22996	USS PREBLE DDG-88	BLDG# 615 COMFLEACT CHINHAE CHINHAE
R23028	USS TEXAS SSN-775	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R23146	USS CHUNG-HOON DDG-93	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R23151	USS GRIDLEY DDG-101	BLDG# 615 CONFLEACT CHINHAE, PSC 497 CHINHAE
R23155	USS CHAFEE DDG-90	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R23159	USS HAWAII SSN 776	COMFLEACT CHINHAE, KOREA COMFLEACT CHINHAE, PSC 497 CHINHAE
R23163	USS STOCKDALE DDG-106	BLDG# 615 COMFLEACT CHINHAE, PSC 497 CHINHAE
R23166	USS STERETT DDG-104	BLDG# 615 COMFLEACT CHINHAE PSC 497 CHINHAE
R46245	USNS MERCY T-AH 19 (MILDET)	BLDG #615 COMFLEACT CHINHAE PSC 497 CHINHAE
R55684	USS WAYNE E MEYER DDG 108	COMFLEACT CHINHAE PSC 497 CHINHAE
R69226	USS OHIO	COMFLEACT CHINHAE PSC 497 CHINHAE

## B. NON-COMPETITION

The Contractor warrants that it will not actively promote, encourage, or market to any of the customers on this acquisition, away from a resultant DLA Troop Support contract, and onto a contract of any other Government agency or commercial entity.

## XIV. DELIVERY, TITLE, ORDERS, AND ORDER FILL RATES

### A. CUSTOMER DELIVERIES:

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1. Deliveries shall be F.O.B. Destination to all ordering activities and delivery points unless otherwise specified. All items must be delivered to customer locations, free of damage, with all packaging and packing intact. The contractor shall remove all excess pallets used for delivery from the OCONUS customer's location. No pallet exchange programs will be available for the customers listed in this solicitation. Dependent upon the specific customer, deliveries shall average 1 to 3 times per week to each customer, unless the customer and the Prime Vendor agree upon more or less frequent stops. Dependent upon the specific customer, drivers may be required to transport the product to the rear of the truck for customer off-loading or the driver may be required to down-load the product to the ground or pier.
2. Installation delivery routes and stop-off sequence will be coordinated and verified with the installations on a post award basis by the awardee(s).
3. Specific delivery point information is provided above. Some installations have more than one delivery point. Awardee must provide expeditious off-loading and delivery to the customer and ensure that the personnel loading and delivering the product provide prompt and efficient service to the customer.
4. Products for individual customers/dining facilities must be segregated. Many of the military bases have more than one delivery point. All products shall be segregated by drop-off point. The intent is to provide expeditious off-loading and delivery to the customer.
5. The contractor shall also ensure that the personnel loading and delivering the product provide prompt and efficient service to the customer. Drivers should carry picture ID's, and comply with any internal ID and security requirements of the specific site. Trucks should also be properly registered with each activity to ensure smooth admission to the compound, while fully honoring all in-house security protection measures of the military activities. Not all customer locations have access to docks and therefore the Contractor will need trucks with lift gates to assure that deliveries can be down-loaded to the ground or pier for inspection and acceptance.
6. Many bases currently require enrollment in RapidGate and will not allow entry without RapidGate clearance. During the contract start-up/implementation period, the Contractor must contact all customer locations to determine whether enrollment in RapidGate or another security program is required for access to each location. If RapidGate or other security enrollment is required, the contractor must take all necessary steps to obtain this in time for the start of performance under this contract. Failure to have RapidGate clearance may result in a vendor being turned away from the base and being unable to complete delivery. The contractor is responsible for the additional cost for RapidGate enrollment and must ensure that a RapidGate enrolled driver is available for all deliveries. We currently estimate that RapidGate enrollment will cost about \$250 per company and \$200 per enrolled employee for 1 year of access to multiple locations, but the cost of RapidGate or other security enrollment may vary, so the contractor should contact RapidGate to determine its own costs. If more than one driver is required, RapidGate enrollment must be obtained for each driver. Note that enrollment can take several weeks, so an awardee that is not already enrolled must begin enrollment at the time of award notification at the latest. If difficulty or delay in enrollment in RapidGate is encountered during the start-up/implementation period, the contractor MUST contact RapidGate and/or the Security Officer at the applicable customer locations to resolve any issues with processing RapidGate enrollment so that the contractor will be able to deliver as required. For additional information regarding RapidGate, including enrollment instructions, please visit their website at <http://www.rapidgate.com/>

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Please note that RapidGate is currently a requirement for access to some military bases; however, these and other locations may require enrollment in other security programs at some time in the future. In this event, the contractor is responsible for obtaining all required enrollments and clearances for each of their drivers as soon as they receive notice of such a requirement.

Note: Normal Hours for Delivery are: 0800 -1100 and 1300 – 1700 hours.

**Note: If additional customer locations are added after award in the solicited area, the already established distribution prices per the contract will apply to the additional locations, and no further cost will be incurred by the Government.**

## **B. TITLE**

Title of all products purchased for the Government remains with the contractor during the shipment, and title passes to the Government when products are inspected and accepted at the final delivery point by an authorized Government receiving official.

## **C. ORDERING SYSTEM – SUBSISTENCE TOTAL ORDER AND RECEIPT ELECTRONIC SYSTEM (STORES)**

1. Accessed via the Internet, the STORES is the Government's translator/ordering system that is capable of accepting orders from any of the Services;" i.e. Army, Air Force, Navy, or Marines, individual ordering systems and translating them into an Electronic Data Interchange (EDI) format. In addition, this information is passed to DLA Troop Support for the purposes of contractor payment and customer billing.
2. Customers will be able to order all of their requirements through STORES. The system will transmit orders to the contractor and to DLA Troop Support.
3. The awardee shall be required to interface with STORES and must be able to support the following EDI transactions:
  - i. 810 – Electronic Invoice
  - ii. 832 – Catalog (Outbound: Contractor to DLA Troop Support)
    - a. The Prime Vendor will be required to submit a breakout of their total contract unit price (i.e. separate Product price and Distribution Price columns).
    - b. Gross case weight, case cube, and number of cases per pallet will need to be provided by the Prime Vendor.
  - iii. 850 – Purchase order

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iv. 864 – Inventory Reporting

4. The contractor shall have access to the Internet and be able to send and receive electronic mail (email).
5. Unit prices and extended prices must be formatted not more than two (2) places to the right of the decimal point.
6. The contractor is required to utilize the Government's item descriptions in the Electronic Catalog (832 transmissions). The Government's format begins with the broad category of the item and then continues with a more specific item description. For example: "Crinkle Cut Carrots," would be listed as "Vegetable, Carrots, and Crinkle Cut."
7. The contractor will utilize the DLA Troop Support invoice reconciliation process or other such systems as they become available, to the maximum extent, towards the goal of correcting invoices early and facilitating the payment process.
8. In the event the STORES system or the contractor interface is not operational, the contractor must provide alternate ways for the customer to order (e.g., by fax, by phone, pick-up orders, etc.), however, for delivery, receipt, and payment purposes the order will manually have to be generated via the Customer Account specialist at DLA Troop Support (TVLS).
9. DOD has mandated that all personnel who access DOD systems must use Public Key Infrastructure (PKI) for all private web-enabled applications. Contractor personnel are required to have a DOD-approved PKI or External Certificate Authority (ECA) certificate to access STORES. To learn who to contact to obtain a DOD-approved certificate go to  
[https://www.transactionservices.dla.mil/daashome/pki\\_contacts.asp](https://www.transactionservices.dla.mil/daashome/pki_contacts.asp)
10. Contractors are permitted to request no more than one (1) Special 832 transaction per week. All Special 832 transactions must be approved by the Contracting Officer.
11. Subsistence EDI guidelines and 864 Inventory Reporting requirements are identified at the bottom of this document.

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#### D. ORDER PLACEMENT

1. The Prime Vendor shall maintain a minimum of sixty (60) days of stock on a line item basis in order to fill all ordering activity requirements and meet the surge and sustainment requirements of this contract. Customers shall place their orders to accommodate a “skip day” delivery. For example, an order placed on March 1<sup>st</sup> would have a required delivery date of March 3<sup>rd</sup>. Orders may be placed with a longer lead-time; however, the minimum lead-time is “skip-day”. Customers will be required to adhere to the specified cut-off time to place an order for skip day deliveries which will be negotiated and become part of the contract, upon award.
2. The Supplier is to advise the customers of non- availability of an item and recommendation for re-order no later than 12:00 noon of the skip day. If it appears that the vendor does not expect a stock replenishment in sufficient time to fulfill the requirement, the Prime Vendor should offer the customer a substitute of equal or higher quality and of equal or lower cost, or advise them of the not-in-stock position of the item and the date of the expected delivery from the manufacturer. **For orders where less than the normal 48 hour order lead-time is provided to the vendor, every effort will be made to provide such notification to the customer of non-availability of an item prior to the arrival of the delivery.**

#### E. ORDER CANCELLATION

Customers may cancel orders up until 12 noon of the prior (local Korean time) to the requested delivery date (RDD), and no restocking charges shall apply. Restocking charges will be applied for cancellations after 12 noon of the day prior to the requested delivery date on orders over \$10K. The Prime Vendor must notify the Contracting Officer, in writing, within 24 hours of any order that is cancelled for which restocking charges will apply. The Prime Vendor’s notification must include, purchase order number, order date, requested delivery date, date and time of cancellation, total order dollar value, case count, and total applicable restocking charges.

For example, if an order has an RDD of March 30, 2016 and the customer cancels at 12 noon on March 29, 2016, not restocking charges will apply. If an order has an RDD of March 30, 2016 and the customer cancels at 12:01 pm on March 29, 2016, restocking charges will apply.

#### F. HOLIDAYS

1. All orders are to be delivered as stated above except for Federal holidays as indicated below. When a scheduled delivery day falls on one of these days, or one designated by your firm, delivery will take place on the next business day.

New Year’s Day	Labor Day
Martin Luther King’s Birthday	Columbus Day
President’s Day	Veteran’s Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

#### G. EMERGENCY ORDERS

1. Emergency orders are those that are required outside normal delivery schedules. The Prime Vendor will provide a minimum of five such “emergency” orders (excluding mobilization actions) per month per customer at no additional charge.
2. The Contractor must be able to receive and process delivery orders on any day of the week to include holidays. Delivery days and times are not restricted and may be every day of the week.



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3. The contractor is responsible for providing the ordering facilities with the name of the contractor representative responsible for notification of receipt and handling of such emergency service and his/her phone number, e-mail address, and/or pager number.

#### **H. ORDER FILL OR SUBSTITUTION POLICY**

1. All supplies shall be furnished on a “fill or kill” basis. Customer notification and approval is required before any partial shipment can be made; however, the unfilled quantity is to be reported as not-in-stock (NIS). Contractors are required to have procedures for handling NIS situations. The contractor is required to stipulate timeframes in which the NIS item will be identified to the customer prior to the delivery, in order that a substitute item may be requisitioned via a new order.
2. For ship orders, the substitution must be authorized by the ship and coordinated with the Navy Logistics Support Center (LSC). In the case of a contractor NIS on part of a quantity ordered, partial shipments are acceptable if the customer is notified and agrees; however, the unfilled quantity is considered cancelled and shall be reflected as a “0% fill” on the fill rate report. The customer may elect to re-order under a new purchase order.

#### **I. NEW ITEMS**

1. If a customer desires to order an item that is not part of the Prime Vendor’s inventory, the Prime Vendor will be allowed a maximum of 120 days lead time to source, transport and make available the new item to the end-user customers. This 120 day period will begin after the Prime Vendor receives individual services’ Headquarters or Regional Area Command’s approval and initial demand for the item. It is the Prime Vendor’s responsibility to obtain individual services’ Headquarters or Regional Area Command’s approval. The Prime Vendor must notify DLA Troop Support and the requesting activity when new items are available for distribution. These items should become a permanent part of the Prime Vendor’s inventory if it appears that these items will be ordered regularly; i.e., a hospital supported under the proposed contract(s) uses dietary products and items unique to a healthcare facility. The Government does not intend to add a new item to the Prime Vendor’s permanent catalog unless there is anticipated demand of at least ten (10) cases per month. For existing catalog items, the Prime Vendor will be responsible for notifying the Contracting Officer on a monthly basis if any cataloged item has not been ordered in sufficient quantities to meet a ten (10) case monthly order quantity. Those slow moving items will be considered for catalog deletion. Special Order, Seasonal, Spices, Food Service Operating Supplies, and Holiday Items will be required at less than ten (10) case demand levels and are excluded from the ten (10) case monthly demand review. The 120-day lead time does not apply to replacement items; lead time will depend on existing inventory.
2. The PV shall assume the responsibility of introducing new food items to the customers, as well as to show cost effective alternatives to their current choices. The PV will use their proposed supplier selection process to include analysis/comments/recommendation of new products prior to the product sampling/taste testing. The PV will be responsible to work with the customer to ensure that the customer is included in the decision to determine the acceptability of product.
3. All new items, including replacement, Mandatory, MPA and National Contract items must be approved in accordance with individual services’ Headquarters or Regional Area Command’s operating

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procedures. New item and replacement item prices must be determined fair and reasonable and approved by the Contracting Officer in writing prior to the items addition to the customer's catalog. Customers will provide an estimate of initial monthly demand which the PV will use for their original order placement to the manufacturer/supplier. The PV will re-order inventory according to the customers' monthly sales. It is the PV's responsibility to notify the customers when product is not moving in accordance with the monthly projected sales, in order for the customers to adjust those quantities. The Government will not be liable for expired product if actual orders do not meet projected estimates.

4. The PV agrees that all new items will not be made available and delivered to the customer(s) until sufficient inventory of the new products have been shipped and received in the PV's OCONUS facility(s) with the new items added to the customer's catalog via the 832 catalog process according to the bi-monthly and monthly 832 updates.

5. If an item is deleted or replaced by a new item due to customer preference, the existing inventory will remain on catalog to be drawn down before the new replacement item can be ordered. The new item will not be added to the catalog until existing inventory is depleted. In the event that there is no new item and a current catalog item is no longer needed or desired by the customer, reasonable efforts will be made to deplet the existing inventory on hand. The Government will not, however, be liable for any expired or unordered product.

6. In the event of a change in pack size for an item, (e.g., an item in Category 1 changes from 24/12 oz cans to 12/12 oz cans), the contractor must notify the Contracting Officer of any such change. A new Sub-Category may be established within that Category (e.g., Sub-Category 1A) and the distribution price may be adjusted proportionally (e.g., from \$6.00 per case to \$3.00 per case).

7. Procedures for Processing New Items

i. Written approval from the Contracting Officer shall authorize all specified new item additions and/or changes to NSNs prior to catalog update transmissions. This requirement is for the Contracting Officer's determination of price reasonableness. The customer will continue to determine the items to be added to the catalog.

ii. Vendors must utilize the latest New Item Request Form (NIRF); available on the DLA Troop Support web site at:

<http://www.dla.mil/TroopSupport/Subsistence/DoingBusinesswithSub/techops.aspx> fillable PDF versions will be provided by the Contract Specialist during post-award administration. When downloading these forms from the website, there will be a message regarding the case label requirement. This pop-up must be acknowledged in order to access these forms. This NIRF must be submitted for all items including Mandatory and MPA items.

iii. New item prices for non-MPA items must be determined fair, reasonable, and approved by the Contracting Officer prior to the items addition to the customer's catalog. In accordance with past practice, the customer will continue to determine all items to be added to the catalog. However, new non-MPA items will not be added to the catalog unless the Contracting Officer determines the proposed prices for the new non-MPA item to be fair and reasonable in

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accordance with FAR 13.106 and approves the addition.

iv. Each request for approval must have the following documentation attached:

- (a) Copy of the Manufacturer's original invoice signifying the Manufacturer's FOB Origin product price, and discount terms, or written price quote, on the manufacturer's letterhead, if the item is not currently in stock, containing: item price per unit of measure (UOM), date price quote was obtained, time period price quote is effective for, item description, quantity covered by the price quote, manufacturer's identification number (i.e., GTIN, SKU, UPC, etc.), manufacturer's FOB Origin product price, payment terms include any applicable discounts, manufacturer's point of contact information, stock number if available, NAPA Discount if applicable, FOB Origin Terms to include the location and the original manufacturer or grower's point of contact including name, title, signature address, and phone number. For all Fresh Fruit and Vegetable and OCONUS Items, in addition to the above, you must include the location of the importer.
- (b) Copy of the Manufacturer's specification sheet.
- (c) Supplier/Distributor Case Label.
- (d) Principal Display Panel (PDP). This is the portion of the label including the product name, manufacturer's declared statement of identity, and the case net weight. For meat and poultry items, also include the Handling Statement, and Legend/Establishment number.
- (e) Information Panel (IP). This is the portion of the label including the Ingredient Statement, Nutrition facts, county of origin and the name of the manufacturer, distributor, or broker and their address. This submission will assure the correct product information is available to the DLA Troop Support catalog team. Requests submitted without this information, will not be processed (the awardee will be provided copies of the acceptable "case labels" post award).
- (f) Distribution Price Category and Distribution Price per UOM will be annotated on the NIRF by the Contracting Officer or Contract Specialist.
- (g) Estimate of initial monthly demand for the new item (AMD) as provided by the customer.

\*Note: Both the Supplier/Distributor Case Label, PDP and the IP must be an actual photograph of the product/case. These must be legible and should be in a jpg, gif, or PDF format.

Requests and the supporting documentation shall be emailed to the Contracting Officer, Contract Specialist and Tailored Vendor Logistics Specialist (TVLS) for immediate review. Any request missing information outlined above will not be processed.

8. An item that has been determined fair and reasonable and added to the PV's catalog(s), then removed and is needed to be added again within a 12-month period, e.g., holiday items, special occasion items, etc. are not considered "new" items and are not subject to the NIRF process. The PV will follow normal 832 price change procedures provided the item is exactly the same as the item previously determined fair and reasonable. This item may be subject to another fair and reasonable determination at the Contracting Officer's discretion. Items removed greater than 12 months, are considered new items and subject to the NIRF process.

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The approved price, including Distribution Price and Distribution Price Category as submitted on the NIRF form (i.e. generic, NAPA, or non-food) MUST be what is submitted upon the 832 transmission. Incoming 832 transmissions will be verified for compliance. Prices other than those approved will be rejected.

## J. FILL RATE/SUBSTITUTIONS/EXCEPTIONS

1. The required contract monthly order fill-rate is 98%. Fill rates will be measured in the following four categories and the 98% fill rate requirement applies to each category:

- (a) CONUS Procured Non-Catch Weight Items
- (b) CONUS Procured Catch Weight Items
- (c) OCONUS Procured Non-Catch Weight Items
- (d) OCONUS Procured Catch Weight Items

During contract performance, higher fill rates may result in a higher Past Performance and Experience rating for future acquisitions. Fill rates will be documented in the Contractor Performance Review System (CPARS) and low fill rates may impact past performance evaluations on subsequent acquisitions.

2. The Government's in-house record for non-catch weight fill rate shall be calculated utilizing the order and receipt information located in STORES, as specified below. The vendor's submitted non-catch weight fill rate reports will be based on the same formula, and shall not include substitutions, mis-picks, damaged cases, etc.

$(\text{Cases accepted} / \text{cases ordered}) \times 100 = \text{Fill Rate } \%$

3. The fill rate for catch-weight items shall be calculated as follows and shall not include substitutions, mis-picks, damaged cases, etc.:

$(\text{Pounds accepted} / \text{pounds ordered}) \times 100 = \text{Fill Rate } \%$

4. Definitions:

- i. Non catch-weight item: An item which has a specific weight per case, e.g. 8920-01-E09-7315, Cake Mix, Yellow, 6/5 LB BX.
- ii. Catch-weight item: An item for which a weight range is acceptable; normally meat items purchased by the pound, e.g. 8905-01-E29-2117, Beef Flank Steak, 11-15 LB.
- iii. Cases accepted: For non-catch weight items, the product quantity that the customer has received and receipted, not including damaged cases, and mis-picks.
- iv. Cases ordered: For non-catch-weight items, the product quantity requested by a customer.
- v. Pounds accepted: For catch weight items, the product quantity that the customer has received and receipted, not including damaged cases, and mis-picks.

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vi. Pounds ordered: For catch weight items, the product quantity requested by a customer. However in the event that a catch weight item is overfilled, and the customer accepts the extra quantity, the ‘pounds ordered’ will be adjusted to match the ‘pounds accepted’. This is to preclude a fill rate greater than 100%.

5. Designation of catch weight items: To designate a catch weight item, the Contractor must input catch-weight indicator “AVG” in 832 catalog field PO404, Packaging Code, for each catch-weight item. The Contractor shall assure that the correct average case weight (i.e. the estimated weight average of cases that will be delivered) is input in 832 catalog field CTP04, Catch Weight Multiple.

6. The Government will calculate the fill-rate for each delivery order line item based on cases ordered & accepted, utilizing the units per pack, or purchase ratio factor, to convert all and fill-rates, the weight range average will be utilized to convert pounds to cases. The government system will round down and up as follows:

0 – 0.4999 will round down

0.5 – 0.999 will round up

a. As an example, for the item at C.3 herein, the average weight is 13 LB. In the event a customer wants 50 lbs. of flank steak, the ordering system will place the order for a multiple of 13 LB equal to or greater than the requirement, in this case 52 LBS. If the contractor delivers 45 LB, the fill-rate will be calculated as follows:

Order = 52 LB / 13 = 4 cases

Receipt = 45 LB / 13 = 3.46 = 3 cases

Fill-rate = 3 / 4 = 75.0%

If the contractor delivers 46 LB, the fill-rate = 46 / 13 = 3.53 = 4 cases = 4 / 4 = 100%

b. Contractors shall assure that the 832 catalog transaction set for each catch-weight LSN contains (1) the correct average case weight of cases to be delivered in 832 field CTP04, Catch-Weight Multiple, and (2) 832 field PO404, Packaging Code, includes the catch-weight indicator “AVG”.

Catch-weight items are items which permit a weight range per case, normally meat items with a LB weight range. For catch-weight items only, the allowable quantity variation is:

Decrease: minus (-) 49% of the item average weight

Increase: plus (+) the item average weight

For example, for 8905-01-E29-2117, Beef Flank Steak, 11-15 LB, with a 13 LB average, order quantities will be in multiples of the 13 LB item average weight. The allowable variations in quantity for any order for this item are:

Decrease = 13 x .49 = 6 LB

Increase = 13 LB

For an order for 104 LB of 8905-01-E29-2117, Beef Flank Steak, 11-15 LB, the contractor may deliver 98-117 LB and receive a 100% fill-rate.

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7. No single line item will be credited for more than 100% fill-rate. This includes both catch weight and non-catch weight items and for any items should the accepted quantity be greater than the quantity ordered.
8. Non-conforming cases, e.g. incorrect items (mis-picks) and damaged cases will not be accepted and receipted.
9. The Government in-house record for fill-rate calculates the fill-rate for each line item of each purchase order, the fill rate per purchase order, the fill-rate per customer, and the fill-rate for all customers, for any period of time, based on order required delivery dates (RDD). Fill-rates are calculated for non-catch-weight items and catch-weight items.
10. DLA Troop Support has developed Standard Operating Procedures (SOP) for Weekly Fill Rate Exception reviews and approvals in accordance with the approved exception categories listed below. This SOP highlights the supporting documentation requirements as well as the process associated with the submission and review of exception requests. This SOP will be provided post award. The Contractor shall inform the Contracting Officer Representative, Contract Specialist and Contracting Officer weekly of any specific instances that would absolve or excuse its failure to deliver an order, or individual line item(s), in full; e.g. customer cancelled line or quantity without adjusting STORES, customer ordered incorrect quantity, item being discontinued, etc. If the Government agrees with the justification, the Government will post the exception into its in-house system which will result in the order or line(s) either being excluded from the Government fill-rate calculation or the correct order and receipt quantities being included in the calculation. These excusable instances represent Fill-Rate Exceptions, and are shown below.
11. The contractor shall submit its fill-rate report (to include overall non-catch weight item fill rate based on cases and overall catch weight fill rate based on pounds) to the DLA TROOP SUPPORT Contracting Officer. The reports shall be based on order required delivery dates (RDD), not order placement dates. The Government will compare and attempt to reconcile the Government and contractor's report. The Government's fill-rate report will be the official government record for contract performance evaluation.

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VENDOR SHORT SHIPMENT EXCEPTION CODES:

- D01 STORES receipt data did not process – DLA Troop Support exception\*\*
- D02 STORES catalog problem, prf incorrect (STORES master production catalog error)-  
DLA Troop Support exception
- D03 STORES catalog problem, catch weight item pkg data incorrect  
(master production catalog error) – DLA Troop Support exception
- D04 Approved NIS waiver (CONUS/OCONUS NIS approved by the Contracting Officer -  
to provide supporting documentation for decision) – DLA Troop Support exception
- V01 Monthly item demand exceeds average demand by >300% - vendor exception
- V02 Newly cataloged item (insufficient time for vendor to capture demand history) - Vendor  
exception\*\*
- V03 Low shelf life. Frequent restocking required (cooler item i.e., yogurt) - Vendor  
exception\*\*
- V04 Pre-deliver / customer cancelled order - Vendor exception
- V05 Customer based order quantity on the incorrect unit of issue - Vendor exception
- V06 Customer did not provide sufficient ordering lead time i.e., special order item - Vendor  
exception
- V07 Item being phased out (catalog timing issue) - Vendor exception
- V08 Catch weight adjustment (customer orders 100 lbs. Actual weight of product is 98 lbs.) -  
Vendor exception
- V09 Product recalled - Vendor exception
- V10 Other (vendor to provide specific explanation for "other" exception) – Vendor exception

\*\* Note: Not Applicable in OCONUS

[illegible]

DLA Troop Support Vendor Fill Rate PO Summary Spreadsheet										
Contract #	DODAAC	PO Number	Total Actual Order Cases	Total Actual Rcpt Cases	Total Actual Order Wgt (Catch)	Total Actual Rcpt Wgt (Catch)	Total # of Line Items	Overall Fill %	Overall Non Catch-Weight Fill %	Overall Catch-Weight Fill %
Notes:										
1) Columns F and G are required for catch weight items only.										
2) Use the header provided without altering.										
3) Do not add additional columns.										
4) Do not delete existing columns.										
5) Do not provide additional column totaling.										

### A. CONTRACTING AUTHORITY

1. The DLA Troop Support Contracting Officer is the only person authorized to approve changes, or modify any requirement of the contract. Notwithstanding any provisions contained elsewhere in the contract, said authority remains solely with the DLA Troop Support Contracting Officer.



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2. In the event the contractor effects any change at the direction of any person other than the DLA Troop Support Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made. The Contracting Officer must authorize any modification or costs associated with a change.
3. Requests for information on matters related to this contract, such as an explanation of terms or contract interpretation, shall be submitted to the DLA Troop Support Contracting Officer.

## **B. ADMINISTRATION**

1. A designated representative at the ordering activity will perform administration of the individual customer delivery order. This includes approving product substitutions and delivery changes.
2. The DLA Troop Support Contracting Officer must approve any changes to the contract.

## **C. MARKETING**

Participation in briefings, conferences, and other related activities does not imply that the contractor is responsible for conducting market research for the Government.

## **D. NOTICE TO CONTRACTORS**

1. Prospective contractors are hereby advised that although there is a guaranteed minimum of 10% on this contract, DLA Troop Support cannot guarantee that any or all of the customers will order all of their subsistence and related non-food requirements from the successful contractor.
2. During the life of the contract, the resulting Prime Vendor will be required to periodically hold prices and all other catalog changes, depending on the 832 catalog schedule. Depending on the 832 catalog schedule, the changes may be postponed up to three (3) weeks, including but not limited to the Government's Fiscal Year change on October 1st and the week of December 25th. Additional changes to the 832 schedule must be agreed upon by the PV and the Contracting Officer.

**E. CONTRACTOR PERFORMANCE ASSESSMENT REPORTING SYSTEM (CPARS)****1. Background**

Contractor Performance Assessment Reporting System (CPARS) is now hosting web-enabled applications that are used to collect and manage a library of automated contractor performance evaluations that are completed in accordance with FAR Parts 36 and 42. FAR Part 36 identifies the requirements for documenting contractor performance for architect-engineer and construction contracts while FAR Part 42 identifies requirements for documenting contractor performance for systems and non-systems acquisitions. The CPARS applications are designed for UNCLASSIFIED use only. Classified information is not to be entered into these systems. In general, contractor performance assessments or evaluations provide a record, both positive and negative, for a given contract during a specified period of time. When evaluating contractor performance each assessment or evaluation is based on objective facts and is supported by program and contract management data, such as cost performance reports, customer comments, quality reviews, technical interchange meetings, financial solvency assessments, construction/production management reviews, contractor operations reviews, functional performance evaluations, and earned contract incentives.

Since November 1, 2006, a DOD Public Key Infrastructure (PKI) Certificate is required for all contractor users accessing CPARS. The requirement for PKI certificates is implemented in accordance with DOD security policy promoting secure electronic transactions.

**2. Obtaining a PKI certificate**

For access to CPARS: A DOD PKI Certificate is required for all DOD employees accessing ACASS, CCASS, CPARS and FAPIIS. Contractors are also encouraged to obtain and use a certificate. Non-DOD Government users may continue to access ACASS, CCASS, CPARS and FAPIIS without a certificate.

PKI Certifications remain a requirement for access to some Government electronic systems. However, OCONUS contractors may have some difficulty in obtaining a PKI certificate, and while this is a requirement under special circumstances exceptions can be made. Additionally, the potential cost involved in obtaining a PKI certification should be considered when contractors establish distribution prices.

Contractors who do not work at a DOD facility may purchase a DOD PKI certificate from one of three External Certificate Authorities (ECAs). The ECAs are contractors who provide digital certificates to DOD's industry partners who are using their own equipment or working in non-government facilities. A list of ECAs is available at [https://www.cpars.gov/main/pki\\_info.htm](https://www.cpars.gov/main/pki_info.htm). Each contractor employee accessing CPARS will need an Identity Certificate (An Encryption Certificate is not required). Certificates range in price from \$99 - \$115 per certificate per year, with volume discounts at some ECAs. Each contractor must fully comply with the DOD requirement to implement PKI in order for our information systems to remain secure and viable.

**F. INVOICING**

1. Each delivery will be accompanied by the contractor's delivery ticket/invoice. Two (2) identical copies shall accompany the shipment. The customer shall sign both copies, keep one and return the other to the contractor. Any changes must be made by the customer on the face of both documents, attachments are not acceptable.
2. All invoicing for payment is to be filed electronically using EDI transaction set 810. No paper invoices shall be submitted to DFAS for payment. All invoices submitted by the contractor must be "clean", i.e. all debits and/or credits must be reflected on the invoice prior to submission.
  - i. In regard to distribution categories 1-11, 1A-5A, 14, 19, and 20 the product price, plus the distribution price will be established as a Prime Vendor catalog unit price for food and non-food orders submitted by the customer via STORES. In regard to distribution categories 12, 13, 15-18, and 21, which do not have associated product prices, the distribution price will be established as a Prime Vendor catalog unit price for food and non-food orders submitted by the customer via STORES. The process for ordering, receipting, invoicing, billing, and payment is completely electronic via STORES and EBS.
  - ii. In regard to distribution categories 12 and 13, which do not have associated product prices, the distribution price will be established as a Prime Vendor catalog unit price. In regard to distribution category 12 disposal, in addition to the cost of the actual disposal, if the Contracting Officer has indicated that the Government will pay the product price for product being disposed of, a separate paper invoice must be submitted by the Prime Vendor for Contracting Officer approval. The Contracting Officer will provide detailed instructions for this process on a case by case basis. In regard to distribution category 13, all charges associated with Restocking Fees must be submitted on a separate paper invoice by the Prime Vendor for Contracting Officer approval (See Section XIV-E).
  - iii. Each paper invoice must be certified by the Prime Vendor to reflect the amount of service actually provided. The approved invoice amount will be placed on order by DLA Troop Support via STORES using local stock numbers designated for itemized billing/costs and receipted. The Prime Vendor will then be authorized to electronically invoice the approved amount for payment on a monthly basis as follows.

Each paper invoice along with supporting documentation shall be cumulative for a one (1) month period and must be submitted to the Contracting Officer Representative no later than the 15<sup>th</sup> day of the following month; e.g. for the period of January 1 thru January 31, referenced invoices must be received by February 15<sup>th</sup>. The contracting Officer will authorize the Prime Vendor to submit the approved 810 invoices for payment as soon as evaluation of all documentation is completed.
3. Electronic invoice transactions may be submitted to DLA Troop Support daily; however, it cannot be stressed enough that all internal debit/credit transactions must be completed prior to the submission of the invoice. Invoice lines that do not contain the correct invoice data and/or contain incorrect quantities delivered or prices charged will be rejected. The contractor will be responsible for correction and re-submission.

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4. The same invoice cannot be submitted with different dollar amounts, and the same invoice number cannot be used more than once during the fiscal year.
5. Invoices may not be submitted as “LIVE DATA” until a test transaction set has been cleared.
6. For catch weight items, standard rounding methods must be observed, i.e. less than 0.5 is rounded down; equal to or greater than 0.5 is rounded up. All weights must be rounded to whole pounds using standard rounding methods. Any line submitted for other than whole numbers will be rejected and require correction and re-submission by the contractor.
7. Unit prices and extended prices must be formatted not more than two (2) decimal places to the right of the decimal point, using standard rounding methods. STORES will not accommodate positions of 3 and above beyond the decimal point.
8. The following address must appear in the “Bill To” or “Payment Will Be Made By” block of the contractor’s invoice:

Defense Finance and Accounting Service (DFAS)  
BSM  
P.O. Box 369031  
Columbus, OH 43236-9031
9. Each invoice shall contain sufficient data for billing purposes. This includes, but is not limited to:
  - i. Contract Number, Call or Delivery Order Number, and DODAAC;
  - ii. Contract line listed in numeric sequence (also referred to as CLIN order);
  - ii. Item nomenclature;
  - iii. LSN or NSN;
  - iv. Quantity purchased per item in DLA Troop Support’s unit of issue;
  - v. Clean invoices must be submitted; and
  - vi. Total dollar value on each invoice (reflecting changes to the shipment, if applicable).
10. Contractors are required to use the DLA Troop Support Reconciliation Tool to identify and correct mismatches between invoices submitted and customers posted receipts. It is the responsibility of the contractor to adjust as necessary and communicate with the customer or DLA Troop Support as needed, in order to resolve any/all discrepancies

## G. PAYMENTS

1. DFAS-BSM is the payment office for this acquisition.
2. Payment of delivery orders will be made in accordance with the terms and conditions of Paragraph (i) of Clause 52.212-4 “Contract Term and Conditions – Commercial items” and any addendum, appearing in the section of this solicitation entitled “Contract Clauses”.

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3. Payment is subject to the terms and conditions of the Prompt Payment Act (31 U.S.C. 3903) (The due date for making invoice payments by the designated payment office shall be the later of the following two events: (a) the 30th day after the designated billing office receives a proper invoice from the Contractor; (b) the 30th day after the Government acceptance of supplies delivered or services performed. For a final invoice, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.). All 810 electronic invoices must be submitted with accurate, sufficient, clean data before any payment can be made. However, the contractor shall not submit the 810 invoices for payment until the signed delivery ticket/invoice has been received directly from the customer.
4. Fast pay procedures do not apply.
5. All contractors must have the ability to accept an 820 transaction set from its financial institution. DFAS EBS, formerly EBS, will no longer forward a detailed summary of payment(s); this information will only be available from your bank.
6. STORES/BSM Reconciliation Tool: In an effort to improve the payment process, contractors will have availability to view what the customer has or has not receipted, via the EBS website. The contractor will have access to “unreconciled” information; i.e., the invoice does not match the receipt because of a quantity or price discrepancy, or because the customer has not posted a receipt. Both invoice information and receipt information will be available for review by the contractor. While the contractor will not have the capability to update customer receipt information, update capability will be available for unreconciled invoice information for approximately 30 days.
7. The Government intends to make payments under the resultant contract by electronic funds transfer (EFT). Reference Clause FAR 52.232-33, Payment by Electronic Funds Transfer-- System for Award Management ” contained within clause FAR 52.212- 5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders -- Commercial Items. However, the election as to whether to make payment by check or electronic funds transfer is at the option of the Government.
8. The Internal Revenue Services issued its final regulations in Federal Register Vol 81, No. 160 on August 18, 2016 concerning section 301 of Public Law 111-347 (dated January 2, 2011), which added section 5000C to the Internal Revenue Code. The final regulations provide guidance on the applicability of Section 5000C(a) which imposes on any foreign person that receives a specified Federal procurement payment, a tax equal to 2 percent of the amount of such payment. The Defense Logistics Agency is working on implementation, and once that's complete collection will commence.

## **H. MANAGEMENT REPORTS**

The contractor shall provide the following reports to the Contracting Officer in the frequency indicated. Negative reports are required and the government reserves the right to add additional reports at no additional cost. Each quantity and dollar value provided should be based on the items unit of issue.

It is at the Contracting Officer's discretion which reports are submitted and the frequency of these reports. All of these reports shall be cumulative for a one (1) month period and submitted no later than the seventh day of

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the following month i.e. reporting period of January 1st through January 31st, the reports must be received by February 7th. The weekly reporting period is from Sunday through Saturday. Weekly reports must be submitted by close of business each Wednesday immediately following the reporting period. Unless otherwise identified below, all other reports are to be submitted electronically on a monthly basis. Other reports and additional information on existing reports may be requested by the Contracting Officer.

The contractor is required to add the following statement to every management report submitted to DLA Troop Support: “I confirm that all the information submitted to the Government is complete and accurate to the best of my knowledge. I understand that false statements contained herein, may be punishable by law.”

1. Fill Rate Reports: (Shall be submitted in non-protected Excel format)

- i. Monthly Fill Rate Report – The monthly fill-rate by line item is calculated by dividing the number of cases accepted by the customer by the number of cases ordered. Mis-picks and damaged cases should not be included in this calculation, however all items Not-In-Stock, rejected, returned, damaged, mis-picks, etc., should be clearly identified in the report. The report should specify fill rates per customer/dining facility and an overall average for the month. In addition to the fill rate by cases, catch weight items by pounds shall be reported as defined in the fill rate section of the contract.
- ii. Weekly Fill Rate Report – In addition to the Monthly Fill Rate Report, the contractor will also submit a weekly report reflecting the previous week’s business, by customer and overall, to DLA Troop Support Contracting Officer. This weekly report will follow the exact same format as the monthly fill rate report.

The Monthly and Weekly fill rate reports should specify fill rates grouped by contract/catalog number(s) (if applicable), DODAAC (first six positions of the delivery order) and delivery order number. The date range of the report shall be based on the customer’s RDD for the previous week as defined in para. 2 above. The report shall contain all orders for the specified time period, as well as, a worksheet summary roll-up report tab which captures all contract/catalog numbers combined. The summary shall contain the following information:

- (a) Overall fill rate based on cases
- (b) Overall non-catch weight fill rate based on cases
- (c) Overall catch weight fill rate based on cases
- (d) Overall catch weight fill rate based on pounds
- (e) Delivery orders shall be grouped by DODAAC. Within each DODAAC sort fill rates by delivery order number

2. 832 Report (Monthly):

Each line to contain at a minimum: DLA Troop Support stock number, item description, current product price, new product price, distribution price, current total price (current product + distribution), new total price (new product + distribution), distribution category, purchase ratio factor, unit of issue, unit of measure, and NAPA discount.

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3. Slow Movers (Excess Stock) (Monthly):

This report shall list all products that are being ordered in less than the required contract minimum monthly quantity. Purpose is to track slow moving items for possible deletion from the catalog.

4. Socio-Economic Report (Monthly):

i. This report shall list all products manufactured and/or supplied by small business, small disadvantaged business, minority owned small business, women-owned small business, women owned small disadvantaged business, HUB Zone small business, veteran owned small business, or service disabled veteran owned small business. This shall be sorted by manufacturer/supplier and include quantity and dollar value and shall be sorted by the applicable business size category of the manufacturer/supplier. NIB/NISH firms are not to be categorized under Small Disadvantaged Business as they are non-profit organizations and should be considered their own separate category. The required format of this report will be provided by the Contract Specialist during post-award administration.

**Note:** This report is for direct subcontracts for products supplied to customers. This report is not to include indirect costs. SBA must certify HUBZone businesses.

ii. A summary page of the report shall also be submitted that highlights the total dollars and percentages for each category. This information is very important since DLA Troop Support is required to report its success in meeting these goals for the Defense Logistics Agency (DLA). Also requested, but not required since DLA does not mandate these goals be reported, is a listing of products supplied and/or manufactured by UNICOR, Labor Surplus Areas, Historically Black Colleges or Universities and Minority Institutions.

5. Monthly Rebates Report:

i. General Rebates: All rebates passed along to the customer via off-price reductions, or that is due to the customer, shall be summarized by listing each customer and the rebate amount. Also, include the manufacturer offering the rebate and the product usage. The total shall be per customer and per contract. Negative reports are required.

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ii. Food Show Rebates Report: This report shall show a detailed break out of all savings received at Food Shows by attending vendors and is as required based on the timing of the Food Show. The Contracting Officer should receive this report no later than two weeks after the end of the special pricing period that includes a list of each customer, the Food Show amount, the manufacturer/broker name, and quantity ordered. Food Show rebates shall be listed per customer, per contract, and per manufacturer. The total shall be per customer and per contract.

iii. NAPA Report: This report should summarize the savings passed along to the customers in the form of deviated allowances realized as a result of utilizing the NAPAs. List each customer, the NAPA amount, the manufacturer/broker name, and quantity ordered. NAPA figures should be listed per customer, per contract and per manufacturer.

6. Contractor Records Retention (Annually):

Contracting Officers shall review and approve contract retention plans from contractors. The contract retention plans must be in accordance with FAR 4.703. The contractor's record retention plan should include the length of time that they plan to retain contract file documents and electronic documents. The plan should also include the contractor's plan to back up electronic documents. For example, certain records must be retained until 3 years from the date of final payment. See FAR 4.703 for more information on retention of contract file documents.

7. Weekly Supply Chain Fitness Report(SCFR) (Weekly):

The SCFR is a report which consists of 4 data tabs, 1 analysis Chart and 1 analysis table. The report format will be provided to the SPV post award; however, the report tracks weekly movements in demands against weekly changes in three segments of the supply chain (stock on-hand, stock in transit and stock on order). Each of these elements are reported and tracked at the line item level.

9. Not-in-Stock (NIS) (Weekly):

This report must list all not-in-stock products (in accordance with the definition of fill rate/not in stock), the estimated get well date for each item for a one-week period, and lost sales due to NIS.



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10. NAPA Report:

The Vendor will submit a monthly report and the NAPA data-tracking company (currently One2One) will generate a monthly Discrepancy Report. Vendors are required to refund any allowances not passed on as up-front item discounts.

11. National Contract Items (Monthly):

The Vendor will submit a monthly report listing all National contract items, purchase price, number of cases, total pounds, and total sales for each item. Separate tabs should be submitted for each National contract.

12. Container Utilization Waivers (Monthly):

This monthly report shall list all container utilization waiver requests, date of waiver, Prime Vendor name, shipper, container TCN, waiver code, cubes.

13. Cost Savings Report (Monthly):

This report will help demonstrate the efforts that the Prime Vendor is making to reduce product price costs. The report format will be provided to the Prime Vendor post award; however, each line shall contain, at a minimum,: DLA Troop Support stock number, Global Trade Identification Number (“GTIN”), Manufacturer name, description, savings type, reason for savings, price change comparison (including old price, new price and percentage difference), price validity (start and end dates), and savings for the fiscal year (including actual sales volume and actual cost savings).

14. Financial Status Report (Monthly):

In order to ensure timely payments, a summarized account receivable and / or a "days of outstanding sales" shall be submitted on a monthly basis. The report will be categorized by time periods and sorted further by customer. If problems should occur, a detailed listing by invoice number / call number will be requested. However, it is suggested that this report contain as much information as possible to alleviate problems immediately.

## **I. CATALOG ORDER GUIDE**

The contractor shall provide a catalog order guide, with descriptions and pack sizes, to each of the customers serviced under this contract. At a minimum, the order guide should list the DLA Troop Support Stock Number, DLA Troop Support Unit of Issue, the contractor’s part number, and the brand of each item.

## **J. IN-PROCESS REVIEWS (IPR)**

1. The Contracting Officer will conduct In-Process Reviews (“IPRs”) to evaluate and discuss Prime Vendor performance on a monthly basis.

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2. The Prime Vendor will be required to travel to Philadelphia at least once per year to participate in an in-person IPR at no additional cost to the Government. As a minimum, the Prime Vendor participants must include: the contract administrator and/or program manager.

## **K. OTHER CONSIDERATIONS**

The Prime Vendor will cooperate in any Government investigation relating to this contract. The Prime Vendor will also be responsible for ensuring subcontractor or partner cooperation in any Government investigation relating to this contract. Specific forms of cooperation will include making officials available for interviews, production of records, etc. The Prime Vendor will submit specific monthly reports, signed by a senior official of the company (i.e. Chief Financial Officer or someone higher in the organizational hierarchy), relating to pricing, discounts, rebates, allowances or other similar economic incentives or benefits that will be received by the contractor.

### **In Personam Jurisdiction for Civil or Criminal Actions brought by the United States Government (DEC 2009)**

- a. Definitions, as used in this clause,
  - (1). Contractor- For purposes of this clause the term “contractor” includes both the contractor and subcontractors at any tier and any employees of the contractor or any subcontractor performing work under or in connection with the contract.
  - (2). United States- For purposes of this clause the term “United States” means the 50 States and the District of Columbia. The term does not include any military installation or facility located outside the United States, as so defined.
- b. The contractor consents to and, in the event of initiation of an action by the United States, shall also consent at that time to in personam jurisdiction over the contractor by the Federal courts of the United States with respect to any civil or criminal action brought by the United States Government based on any act or failure to act of the contractor in the performance of or otherwise arising from or related to this contract. The contractor further agrees to accept service of process with regard to any such action, failing which the contractor shall be deemed to be subject to the in personam jurisdiction of any Federal court of competent subject matter jurisdiction through operation of this clause.
- c. Consent to in personam jurisdiction pursuant to this clause shall not operate to deprive or terminate in personam jurisdiction in any other court that otherwise has in personam jurisdiction under applicable law.
- d. Where a cause of action arises from an act or omission occurring outside the United States, in personam jurisdiction shall lie in the United States District Court for the District of Columbia if it cannot be established in another Federal court.
- e. In the event that the value of the contract (including options) equals or exceeds \$5,000,000 and the contractor does not maintain an office in the United States, the contractor shall designate an agent located in the United States for service of process in any action covered by this clause, and provide the name and address of that agent to the Contracting Officer.
- f. The contractor shall include this clause in any subcontracts under this contract, and each subcontractor shall include this clause in any of its subcontracts.

**ADDENDUM TO FAR 52.212-4 – Contract Terms and Conditions – Commercial Items**

## Contract Terms and Conditions – Commercial Items

The following paragraph(s) of 52.212-4 are amended as indicated below:

1. Paragraph (a), Inspection/Acceptance, is revised to add the following:

“Inspection and acceptance of products will be performed at destination. The authorized receiving official for each customer is responsible for signing for and accepting products when they are delivered. The final disposition decision rests with the food service officer and/or the authorized Government receiving official. See Statement of Work, Military Inspection at Destination.

2. Paragraph (c), *Changes*, is deleted in its entirety and replaced with the following:

(c) *Changes*.

(1) The Contracting Officer, at his/her discretion, may unilaterally invoke any of the contingency options set forth in this contract.

(2) The Contracting Officer may at any time, by unilateral written order, make changes within the general scope of this contract in any one or more of the following:

- (i) method of shipment or packing;
- (ii) place, manner, or time of delivery.

(3) If such change causes an increase of decrease in the cost of, or time required for, performance for any part of the work under this contract, the Contracting Officer shall make equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(4) The Contractor must assert its right to an adjustment under this clause within thirty (30) days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

3. Paragraph (m), *Termination for cause*, is deleted in its entirety and replaced with the following:

(m) *Termination for cause*.

The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If this contract is terminated in whole or in part for cause, and the supplies or services covered by the contract so terminated are repurchased by the Government, the Government will incur administrative costs in such repurchases. The Contractor and the Government expressly agree that, in addition to any excess costs of repurchase, or any other damages resulting from such default, the Contractor shall pay, and the Government

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shall accept, the sum of \$1350.00 as payment in full for the administrative costs of such repurchase. This assessment of damages for administrative costs shall apply for any termination for cause following which the Government repurchases the terminated supplies or services. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

4. Paragraph (o), *Warranty*, is revised to add the following:

“In the event that a product recall is initiated by the contractor, supplier or manufacturer, the contractor should follow the procedures as outlined below:

(1) Immediately notify the following personnel:

- (i) Customers that have received the recalled product
- (ii) DLA Troop Support Contracting Officer
- (iii) DLA Troop Support Integrated Supply Team (IST) Chief
- (iv) DLA Troop Support Contract Specialist
- (v) DLA Troop Support Tailored Vendor Logistic Specialist
- (vi) DLA Troop Support Consumer Safety Officer

(2) Provide the following information to the DLA Troop Support Consumer Safety Officer:

- (i) Reason for recall
- (ii) Level of recall, i.e. Type I, II or III
- (iii) Description of product, including specific manufacturer's lot numbers
- (iv) Amount of product
- (v) List of customers that have received product
- (vi) Name and phone number of responsible person (Recall Coordinator)

(3) The Prime Vendor should provide a Final Status Report of Recall, when completed, to the DLA Troop Support Consumer Safety Officer.”

(4) The supplies furnished under the resultant contract(s) shall be covered by the most favorable commercial warranties that the contractor gives to any customer. The supplies and the rights and remedies provided therein are in addition to, and do not limit, any rights afforded to the Government by Clause 52.212-4(o) “Warranty”, “Contract Terms and Conditions-Commercial Items” and an addendum contained in the solicitation.

5. Paragraph (s), *Order of precedence* is revised to add the following:

- (a) Performance of this contract by the Contractor shall be conducted and performed in accordance with detailed obligations to which the Contractor committed itself in its Technical Proposal in response to this solicitation.
- (b) The technical volume(s) of the Contractor's proposal is incorporated by reference and hereby made subject to the provisions of the "ORDER OF PRECEDENCE" (FAR 52.215-8) clause of this contract. Under the "ORDER OF PRECEDENCE" clause, the technical volume of the Contractor's proposal referenced herein is hereby

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designated as item (10) of the clause, following "the specification" in the order of precedence.

6. Paragraph (t), System for Award Management (SAM) is revised to add the following:

(5) Definitions.

“System for Award Management (SAM) Database” means the primary Government repository for contractor information required for the conduct of business with the Government.

“Commercial and Government Entity (CAGE) Code” means—

- (a) A code assigned by the Defense Logistics Information Service (DLIS) to identify a commercial or Government entity; or
- (b) A code assigned by a member of the North Atlantic Treaty Organization that DLIS records and maintains in the CAGE master file. This type of code is known as an “NCAGE code”.

“Data Universal Number System (DUNS) Number” means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

“Data Universal Numbering System+4 (DUNS+4) Number” means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts (see Subpart 32.11 of the Federal Acquisition Regulation) for the same parent concern.

“Registered in the SAM Database” means that—

- (a) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 numbers, into the CCR database;
- (b) The Contractor’s CAGE code is in the CCR database; and
- (c) The Government has validated all mandatory data fields and has marked the records “Active”.

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### Awarded Distribution Prices

Offeror: USFI

Cat. #	Category Description	UoM	Tier #1	Tier #2	Tier #3
1	CONUS DRY CS	CS			
1A	CONUS DRY CS (For Product Price Exceptions B, C, D, or E)	CS			
2	CONUS DRY CO (UOM for EA = 1 CO)	EA			
2A	CONUS DRY CO (For Product Price Exceptions B, C, D, or E) (UOM for EA = 1 CO)	EA			
3	CONUS FZN CS	CS			
3A	CONUS FZN CS (For Product Price Exceptions B, C, D, or E)	CS			
4	CONUS FZN LB	LB			
4A	CONUS FZN LB (For Product Price Exceptions B, C, D, or E)	LB			
5	CONUS CHILLED CS	CS			
5A	CONUS CHILLED CS (For Product Price Exceptions B, C, D, or E)	CS			
6	OCONUS DRY CS	CS			
7	OCONUS FZN CS	CS			
8	OCONUS CHILLED CS	CS			
9	OCONUS CHILLED LB	LB			
10	OCONUS FF&V LB (For Product Price Exception A)	LB			
11	OCONUS Water CS (Potable - Bottled)	CS			
12	Disposal (Incl. Trans; Approved at the Contracting Officer's Discretion)	CS			
13	Restocking Price for Orders Over \$10K (Approved at the Contracting Officer's Discretion)	CS			
14	CONUS FF&V LB	LB			
15	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (Single Case/Box) CS	CS			
16	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (2 Cases per Module) EA = 2 cases	EA			
17	GFM Inspection, Storage, Rework, Relabel, Distribution, Dry (3 Cases per Module) EA = 3 cases	EA			
18	GFM Inspection, Storage, Rework, Relabel, Distribution, FZN CS	CS			
19	Food Service Operating Supplies (FSOS) (Non-Food) CS	CS			
20	Food Service Operating Supplies (FSOS) (Non-Food) EA	EA			
21	Emergency Orders > 5 per month (Approved at the Contracting Officer's Discretion) (UOM of EA = one (1) Emergency STORES Purchase Order)	EA			

**Note: The above distribution prices will remain fixed for the duration of the contract term for all tiers.**

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**Attachment 1 Market Basket**

Please reference “Attachment 1 – Market Basket” for all awarded product prices for the schedule of items.

**Attachment 2 STORES EDI Implementation Guide**

Please reference “Attachment 2 – STORES EDI Implementation” for all information regarding STORES Implementation.