

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30				1. REQUISITION NUMBER 1000083012		PAGE 1 OF 4	
2. CONTRACT NO. SPE300-20-D-5111		3. AWARD/EFFECTIVE DATE 2020 JAN 17		4. ORDER NUMBER		5. SOLICITATION NUMBER SPE300-20-R-X009	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME		b. TELEPHONE NUMBER (No collect calls)		6. SOLICITATION ISSUE DATE 2019 NOV 19	
9. ISSUED BY DLA TROOP SUPPORT DIRECTORATE OF SUBSISTENCE 700 ROBBINS AVENUE PHILADELPHIA PA 19111-5096 USA Local Admin: John Procopio DJP0010 Tel: 215-737-2995 Email: John.Procopio@dfa.mil				10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: _____ % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> EDWOSB NAICS: 311999 <input type="checkbox"/> SERVICE-DISABLED <input type="checkbox"/> VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> 8 (A) SIZE STANDARD:			
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input 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	
15. DELIVER TO SEE SCHEDULE				16. ADMINISTERED BY SEE BLOCK 9 Criticality: PAS : None			
17a. CONTRACTOR/ OFFEROR US FOODS, INC. DBA PHOENIX 4650 W Buckeye Rd PHOENIX AZ 85043-4907 USA		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	
						23. UNIT PRICE	
						24. AMOUNT	
		See Schedule					
25. ACCOUNTING AND APPROPRIATION DATA						26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$7,000,000.00	
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 checked="" 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				29. AWARD OF CONTRACT: REF. US FOODS PHOENIX OFFER DATED 2020-Jan-03, YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH, HEREIN IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR DocuSigned by: 				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
30b. NAME AND TITLE OF SIGNER (Type or Print) Peggy Schreiber VP National Sales and Service		30c. DATE SIGNED 1/16/2020		31b. NAME OF CONTRACTING OFFICER (Type or Print) Laide T. Chavez Torres		31c. DATE SIGNED 2020 JAN 17	

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 2/2012)
Prescribed by GSA - FAR (48 CFR) 53.212

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED ☐ INSPECTED ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED:

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32c. DATE

32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER

34. VOUCHER NUMBER

35. AMOUNT VERIFIED
CORRECT FOR

36. PAYMENT

37. CHECK NUMBER

☐ PARTIAL ☐ FINAL☐ COMPLETE ☐ PARTIAL ☐ FINAL

38. S/R ACCOUNT NO.

39. S/R VOUCHER NUMBER

40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT

42a. RECEIVED BY (*Print*)

41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER

41c. DATE

42b. RECEIVED AT (*Location*)

42c. DATE REC'D (YY/MM/DD)

42d. TOTAL CONTAINERS

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CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED: SPE300-20-D-5111	PAGE 3 OF 4 PAGES
<p>This is an Indefinite Delivery Contract - Fixed Price with Economic Price Adjustment (EPA) awarded to US Foods Phoenix, AZ., under the authority and FAR 13.5, Simplified Acquisition Procedures for Commercial Items.</p> <p>All terms and conditions of Solicitation SPE300-20-R-009 and the final offer from US Foods Phoenix, AZ., dated 3 January 2020 are incorporated by reference into this Contract SPE300-20-D-5111.</p> <p>This contract provides Prime Vendor support for a full line of food and beverage food items for authorized customers in Phoenix, AZ and Surrounding Areas; for a performance period of approximately 200 days, starting 19 January 2020, or until the maximum dollar value of \$7,000,000.00 has been met.</p> <p>The maximum dollar value for the Indefinite Delivery Contract is \$7,000,000.00.</p> <p>The guaranteed minimum dollar value is \$350,000.00 (10% of the estimated dollar value, \$3,500,000.00).</p> <p>Once orders up to the guaranteed minimum dollar value have been placed, the Government will have no further ordering obligation under the Indefinite Delivery Contract.</p> <p>Block #25, Accounting and Appropriation Data: 97X4930 5CBX 001 2620 S33189</p> <p style="text-align: right;">CONTINUED ON NEXT PAGE</p>		

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED: SPE300-20-D-5111	PAGE 4 OF 4 PAGES
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Attachments

List of Attachments

File Name	Description

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The term “solicitation” contained in this contract refers to SPE300-20-R-X009, the terms of which are incorporated herein.

STATEMENT OF WORK

I.SUPPLIES/SERVICES

AND PRICES

1. INTRODUCTION

- A. DLA Troop Support intends to enter into a Prime Vendor contract to supply subsistence products to the customers supported by this solicitation. The Contractor is responsible for furnishing the full-line of food and beverage items required for garrison feeding for (Department of Defense (DoD) and non DoD customers. In addition, the Contractor may also be requested to provide related non-food items to some customers.
- B. The Government will utilize Best Value, Tradeoff procedures as the means of selecting the awardee. Proposals will be evaluated based on technical factors, past performance, and price, as discussed later in this solicitation.
- C. This solicitation contains the estimated food and beverage requirements for DoD and non- DoD customers in Phoenix, Arizona and Surrounding Areas.
- D. The contract resulting from this solicitation will be an Indefinite Delivery Contract that provides for an indefinite quantity, within stated limits, of specific supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the Contractor (FAR 16.504(a)). The contract shall be for a term of two hundred (200) days after contract award, or until the maximum dollar value has been met.

Distribution prices will remain constant during the performance period. An economic price adjustment clause, Economic Price Adjustment (EPA) – Actual Material Costs for Subsistence Delivered Price Business Model – DLA Troop Support Subsistence Prime Vendor (SPV) Contiguous United States (CONUS), Alaska, and Hawaii will be utilized in order to allow adjustments based on the delivered price during the performance period. The contract does not provide for any other adjustments to the contract unit price. Each delivery order issued against the resulting contract will, therefore, be firm fixed price for products for which the unit price is established in the contract.

- E. Estimated Dollar Value, Guaranteed Minimum Dollar Value, and Maximum Dollar Value

The estimated dollar value of this solicitation is \$3,500,000.00 for a 200-day period. The guaranteed minimum dollar value is 10% of the estimated dollar value, \$350,000.00. The maximum dollar value is \$7,000,000.00. The Government’s legal obligation under this contract shall only be that of the guaranteed minimum.

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The estimated dollar values stated are based on good faith estimates; they are estimates only and are not guaranteed to be purchased by this contract.

F. Individual Customer 200 Day Estimates

Customers	200-day Estimate
INS FLORENCE AZ	\$990,255.87
PHOENIX JOB CORPS CENTER AZ	\$171,043.80
FRED ACOSTA JOB CORPS CENTER, AZ	\$141,705.65
AZ ARMY NG LOCATIONS	\$25,693.62
ARIZONA	\$35,186.84
ARIZONA ENHANCEMENTS	N/A
161 ARW SERVICESOF PHOENIX	\$9,499.20
162 FW/SVF TUCSON, AZ	\$30,123.84
RAY VAN HENSMAN DIN FAC, AZ	\$422,040.42
DESERT INN -DAVIS MONTHAN AFB, AZ	\$375,958.50

2. EFFECTIVE PERIOD OF CONTRACT – INDEFINITE QUANTITY CONTRACT

- A. This acquisition contains a performance period of 200 days after contract award, or until the maximum dollar value of \$7M has been met. This solicitation will result in a 200-day Indefinite Delivery Contract (IDC) using Simplified Acquisition Procedures under FAR 13.5 Test Program. All prices will be firm fixed with an Economic Price Adjustment (EPA) for up to 200 days.

3. CATALOG & MARKET BASKET ITEMS

- A. This solicitation is for total food and beverage support for garrison foodservice feeding. The successful Contractor shall provide full-line food service items, such as, but not limited to, canned items, dry items, chill items, UHT dairy items, frozen bakery products, frozen meats, frozen seafood and poultry, ice cream, eggs and other dairy products, fresh fruits and vegetables and non-food Food Service Operating Supplies. Currently, fresh milk and fresh bread/bakery items do not have stated requirements within this solicitation, but they are within the scope of this procurement and the Contractor may be required to provide them during the course of contract performance (see paragraph 4 below).
- B. All item descriptions/specifications are included in the Market Basket. The item description, and unit package size and units-per-purchase-pack are specific and standardized for each Local Stock Number (LSN), and MUST NOT be modified in any way. If you wish to supply an item that differs in package or pack size, you must identify such difference and request approval to utilize such item under a different LSN.
- C. The Contractor shall be responsible for supplying items that are in compliance with each services' requirements. Detailed guidance and specifications are provided for most standard meat, seafood and poultry items required in the recipes and menus. Processed fruits and vegetables and other miscellaneous food service items are also

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covered. See Attachment 4 – Joint Subsistence Policy Board (JSPB) DOD Menu Standards, and the Website below:

- 1) http://quartermaster.army.mil/jccoe/Operations_Directorate/CSPD/Buyers_Guide/Army-Buyers-Guide-Version-XII-27-Feb-2019-update.pdf

If there is any conflict in the language between any of the service guides and DLA Troop Support item descriptions, the DLA Troop Support item descriptions take precedence.

- D. The Subsistence homepage (www.dla.mil/TroopSupport/Subsistence.aspx) includes an "Abbreviation List" used for LSN Item Descriptions. This link, "Item Description Abbreviations," is located in the navigation area on the left side of the page, under "Doing Business with Subsistence", then "Technical Operations." This will open a PDF with a list of abbreviations used. The Contractor shall be responsible for supplying items under the contract that meet the item descriptions and have the required level of quality, at the most economical pricing available to the Contractor for the authorized customer. The Contractor shall assume the responsibility of introducing new food items to the customers that meet this objective, as well as to show cost effective alternatives to their current choices.

- F. **** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY**
****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

Navy inventory item requirements are exclusively contained in the Master Load List (MLL). The MLL will represent the Contractor's permanent catalog. The Contractor will only catalog and offer items contained on the MLL. Contractor catalog compliance to the MLL will be 100%. Cataloged items with stock numbers identical to the primary MLL stock number for that item will be considered Exact Matches to the MLL. Cataloged items with stock numbers that do not match the MLL stock number but are confirmed approved by NAVSUP will be considered REPLACEMENT items. Both EXACT MATCHES and REPLACEMENT items will count toward catalog compliance and in fill rate calculations. SUBSTITUTE items, approved by the Food Service Officer or his/her agents to replace not-in-stock (NIS) items, will not count toward fill rate calculation, unless the item is an authorized REPLACEMENT or EXACT MATCH to the MLL. The Contractor will not add or delete inventory items from the catalog without approval from NAVSUP through the Contractor's DLA Troop Support representative. The MLL will be revised by NAVSUP periodically and represents the Contractor's permanent catalog requirement. The revised MLL will be forwarded to the Contractor via DLA Troop Support representative no less than 90 days prior to new MLL implementation. 100% MLL compliance on implementation date is required for the revised MLL. The Contractor is responsible to plan replenishments of items scheduled for removal carefully to prevent excess stock on hand once the updated MLL is in effect.

****END NAVY SHIPS LANGUAGE****

4. FRESH FRUITS & VEGETABLES AND MARKET READY ITEMS

- A. Customers supported under this contract are expected to order their Fresh Fruits and Vegetables from separate produce contracts awarded by DLA Troop Support.
- B. Customers supported under this contract are expected to order their fresh bread

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items (primarily sliced bread and rolls) and fresh dairy items (fluid milk, cultured products) from separate market ready contracts awarded by DLA Troop Support.

- C. If, after contract award, the ordering activities have a need for the Contractor to deliver some or all of these items, the Contracting Officer and Contractor will determine the availability and establish a mutually agreed upon start-up period. Items will be priced using the contract Distribution Pricing for these categories. Prior to adding the items to the contract, they must be determined to be at a fair and reasonable price by the Contracting Officer.
- D. If fresh fruits and vegetables and/or market ready items (i.e. fresh bread and dairy items) are currently included or added to the catalog, shelf-life requirements are referenced in: Product Quality & Shelf Life Requirements.

5. DOMESTIC ITEMS/BERRY AMENDMENT

The Berry Amendment, 10 U.S.C. 2533a, as implemented by Defense Federal Acquisition Regulation Supplement (“DFARS”) subpart 225.70, requires the Department of Defense (DoD) to buy food that is grown, reprocessed, reused or produced in the United States. There are several exceptions to this requirement that are available for food items.

One relevant exception to this requirement includes 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, and seafood delivered under this contract, or contained in foods delivered under this contract, must be taken from the sea by U.S.-flag vessels or, if not taken from the sea, must be obtained from fishing within the United States. And, any processing or manufacturing of the fish, shellfish, or seafood must be performed on a U.S.-flag vessel or in the United States.

The Berry Amendment applies to this acquisition. Therefore, DFARS clause 252.225-7012 is incorporated by reference into this solicitation and the resultant contract.

6. PRICE DEFINITIONS

During Contract Performance, the Contract Unit Price is defined as follows:

Contract Unit Price = Delivered Price - rebates/discounts (Government, including NAPA, or other) + Distribution Price

For definitions of Delivered Price and Distribution Price, see ECONOMIC PRICE ADJUSTMENT (EPA) – ACTUAL MATERIAL COSTS FOR SUBSISTENCE DELIVERED PRICE BUSINESS MODEL – DLA TROOP SUPPORT SUBSISTENCE PRIME VENDOR (SPV) CONTIGUOUS UNITED STATES (CONUS), ALASKA, AND HAWAII

For definition of Rebates/Discounts, see paragraph 7 directly below in conjunction with ECONOMIC PRICE ADJUSTMENT (EPA) – ACTUAL MATERIAL COSTS FOR SUBSISTENCE DELIVERED PRICE BUSINESS MODEL – DLA TROOP SUPPORT

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SUBSISTENCE PRIME VENDOR (SPV) CONTIGUOUS UNITED STATES (CONUS), ALASKA, AND HAWAII

Additionally, for any items that are delivered in individual units (i.e. breaking cases), the distribution price shall be pro-rated based on the number of individual units ordered/delivered.

7. REBATES/DISCOUNTS AND PRICE-RELATED PROVISIONS

- A. All rebates, discounts, and limited discounts designated for the Government, which include any rebates or discounts that are passed on to all customers without specific designation (hereafter referred to as “Rebates/Discounts/Deviations”), including NAPA discounts, food show discounts, early payment discounts (except as identified in paragraph (B) herein), and any other rebates, discounts, or similar arrangements designated by the manufacturer, grower, private label holder, or redistributor, as defined in the Economic Price Adjustment (EPA) clause, to be passed to the Government, shall be passed to the Government via a reduced catalog price (i.e. “off invoice”). Exceptions to this requirement (hereafter referred to as “Exceptions”) are earned income, qualifying early payment discounts, limited discounts designated for customers other than the Government, as defined in (B)
- B. Below, and any other exceptions to this requirement specifically stated, with reference to this provision, in the solicitation and contract. Any Rebates/Discounts/Deviations that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check payable to the U.S. Treasury, with an attached itemized listing of all customer purchases by line-item to include contract number, call number, purchase order number and contract line-item number (CLIN).

NOTE: Offered rebate/discount/deviations/rebates must meet the following conditions:

If an item(s) containing a rebate/discount/deviation is deleted, changed, or replaced, the Contractor shall notify the Contracting Officer in advance via email with the reason(s) for the proposed action. The Contractor must assign a rebate/discount/deviation with the same benefit as the original offered item for similar or replacement item(s). The rebate/discount/deviation must be provided for the balance of time remaining on the original offered rebate/discount/deviation. The Contracting Officer retains the sole discretion to determine similar or replacement items. If an item containing a rebate/discount/deviation is deleted, changed, or replaced and the discount cannot be applied to a new item, the Contractor must provide reimbursement to DLA Troop Support for the savings that DLA projects. The projected savings is based on the original items’ rebate/discount/deviation based on the estimated usage minus the benefit for the quantity of the rebate/discount/deviation already received. This requirement may be waived by the Contracting Officer on a case-by-case basis, for example, if the replacement was not the fault of the Contractor.

C. Definitions

- 1. “Limited Discount” (commonly referred to as a “deviation” in industry parlance) means a discount that is identified by the manufacturer, grower, private label holder, or redistributor as being limited to a specific customer.

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2. “Purported Exception” means an Exception, as defined in (A) above, purported by the Contractor to meet the definition of earned income, qualifying early payment discounts, or other Exceptions to this provision stated in the contract, but that do not meet the applicable definition or the conditions for use stated in the contract.
3. “Qualifying Early Payment Discounts” are 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, grower, private label holder, or redistributor to customers other than the Subsistence Prime Vendor (SPV) Contractor at the same discount rate and under the same conditions as provided to the SPV 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’s, grower’s, private label holder’s, or redistributor’s invoice and the early payment is required within 10 days to obtain the discount (except that in the event that specific terms greater than 2 percent/10 days are offered, the SPV Contractor must obtain prior written approval to retain this discount from the Contracting Officer on a case-by-case basis); and
 - (vi) the SPV Contractor actually made the required payment within the time period required to receive the discount.
4. “Earned income” is defined as monies received by the SPV Contractor from its manufacturers, growers, private label holders, or redistributors as consideration for value-added services (as described in the earned income categories identified by the Contractor) that the Contractor provides to its manufacturers, growers, private label holders, or redistributors, if the following conditions are met:
 - (i) the value-added services are services performed by the Contractor in accordance with commercial practice such as marketing (for example, sales volume incentives earned based on sales of significant quantities to other customers), freight management, consolidated warehousing, or quality assurance, or services providing similar value-added benefit to the manufacturers, growers, private label holders, or redistributors; and,
 - (ii) the income is retained in the normal course of its commercial business; and,
 - (iii) the income does not include manufacturer, grower, private label holder, or redistributor-generated Rebates/Discounts/Deviations; and,
 - (iv) the income is paid in exchange for services performed by the Contractor in accordance with commercial practice; and,
 - (v) the income is properly included in one or more of the earned income categories identified by the offeror, as required in the Submission Requirements section of the Statement of Work.

D. Price Audits: Upon request the Contractor shall provide to the Government any invoices, quotes, or agreements relevant to the Delivered Price component for existing

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catalog items, for any new items being added to the catalog, and for requested price changes to existing catalog items. The Contractor must include detailed payment terms on each invoice or quote used to substantiate Delivered Price, including any applicable Rebates/Discounts/Deviations. The Government may also require the Contractor to submit pricing agreements and other documentation to substantiate all Rebates/Discounts/Deviations and Exceptions, including the existence of Earned Income agreements, on the DLA Troop Support contracts. Specific dollar amounts contained in Earned Income agreements may be redacted prior to submitting. If the Contracting Officer determines, after reviewing an invoice or other documentation, that a Rebate/Discount/Deviation or Early Payment Discount should have been passed on to the Government, or if price verifications reveal any instance of overpricing, the Government shall be entitled to a prospective Unit Price reduction and a retroactive refund for the amount of the overcharges or Purported Exception(s), including interest. In the event of any undercharges, if the Contractor can demonstrate to the satisfaction of the Contracting Officer that the undercharges 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. The Contracting Officer, or authorized representative, shall have the right, up to twice a year or more often as determined necessary by the Contracting Officer, to examine and audit a statistically significant sample of the Contractor's records relevant to the existence of Earned Income agreements, Rebates/Discounts/Deviations, Exceptions, and commercial customer Delivered Prices. The Government may review/audit the SPV Contractor's electronic purchasing system to confirm that the Delivered Price of a product sold at a given time to a DLA Troop Support customer is identical to the Delivered Price used by the SPV Contractor 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 any of these rights shall not constitute a defense or alter the Government's entitlement to any other remedies by contract or by law.

Contractor pricing disclosures shall be treated as proprietary and will not be released outside the Government unless otherwise required by law or as agreed to by the Contractor. As a condition of this contract, the Contractor authorizes, and consents to, the Government communicating directly with the manufacturer, grower, private label holder, or redistributor used by the Contractor to validate that manufacturer's, grower's, private label holder's, or redistributor's pricing, including Delivered Prices and Rebates/Discounts/Deviations as provided to the Government by the Contractor.

8. MANDATORY SOURCES (THE ABILITYONE PROGRAM)

- A. 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 AbilityOne Program, which is governed by the U.S. AbilityOne Commission ("the Commission"), formerly known as the Committee for Purchase From People Who are Blind or Severely Disabled ("the Committee"), under the authority of the Javits-Wagner-O'Day (JWOD) Act, 41 U.S.C. §§ 8501 - 8506. These items are referred to as "mandatory source items," "mandatory items," "mandatory products," "mandatory supplies," "AbilityOne items," or other similar names. Any other commercial equivalent product with "essentially the same" product characteristics cannot be sold to the DLA Troop Support customers under this contract.

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- B. The mandatory source items, which include food and non-food items, are required to be purchased from specific Non Profit Agency (NPA) manufacturers listed in the DLA Troop Support AbilityOne Mandatory Procurement List (MPL). The MPL may be found on the DLA Troop Support Subsistence AbilityOne website listed below. The listing of required mandatory products and manufacturers are subject to change when directed by the Commission.
- C. The website for AbilityOne information, which includes links to Mandatory Food and Non-Food items and manufacturers, is:

www.dla.mil/TroopSupport/Subsistence/FoodServices/AbilityOne.aspx
- D. For mandatory items, there is no customer usage limit required. The customer may order less than one case, when required.
- E. For mandatory source items, the Prime Vendor shall provide individual units/containers, when required. To permit the sale of individual units/containers in lieu of case quantities, stock numbers have been assigned for individual units/containers, where necessary. This is especially true of the AbilityOne items where the Prime Vendor will order by the case but distribute by the container (often referred to as split case).
- F. For mandatory source items, the Prime Vendor is expected to order in economic quantities in order to minimize costs to DLA Troop Support and its customers. Accordingly, the Prime Vendor shall order no less than one full pallet from each participating NPA. One full pallet may be comprised of a single item or a combination of items offered by the NPA.
- G. For mandatory source items, the Prime Vendor must ensure that, at a minimum, 30 days of stock are on hand to satisfy anticipated customer demand taking into account lead times for delivery from NPA manufacturer to the Prime Vendor. If the Prime Vendor is notified that any mandatory items are not available from the NPA manufacturer, the Prime Vendor must notify the Contracting Officer immediately.
- H. For mandatory source items, the Prime Vendor 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. To obtain approval, the Prime Vendor must provide the Contracting Officer with details for the delay, to include details of issues (i.e. outstanding orders, product in the pipeline, etc.) and provide the date when the catalogs will be updated. The Contracting Officer will notify the Subsistence AbilityOne Team.
- I. The Prime Vendor is not authorized to submit catalog changes containing other commercial equivalent products with “essentially the same” product characteristics as the identified mandatory items.
- J. If the customer requests the Prime Vendor to carry other commercially equivalent products with “essentially the same” product characteristics but with a unique packaging requirement that is not currently provided by the NPA manufacturer, the Prime Vendor must notify the

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NPA manufacturer and the Contracting Officer in order to provide the NPA manufacturer with the opportunity to satisfy the unique packaging requirement being requested. The Prime Vendor's notification must include the customer's justification for the unique packaging requirement.

- K. Price and delivery information for the mandatory source item(s) are available directly from the NPA manufacturer(s) listed on the Subsistence website. The Prime Vendor shall make payments directly to the NPA manufacturer(s) making delivery. The current procurement list F.O.B. Origin prices as established by the Commission are included on the Subsistence website for the food and non-food products.
- L. The DLA Troop Support Subsistence Prime Vendor AbilityOne webpage will be updated for the following changes in: prices, ordering information, contractor locations, items (additions and deletions), AbilityOne- approved contractors, and purchase exceptions.
- M. The Prime Vendor will be notified via e-mail of changes to the MPL. The e-mail notification will identify the changes to the MPL and alert the Prime Vendor to check the DLA Troop Support Subsistence AbilityOne Program webpage. Additionally, changes to the MPL will be bolded for easy identification. The Prime Vendor shall confirm receipt of this e-mail notification.
- N. In certain circumstances, there may be a delay in posting and/or email notification to the Prime Vendor. When this occurs, a NPA manufacturer may issue the Prime Vendor a notification letter from the AbilityOne Commission, included on AbilityOne Commission letterhead, as proof of an applicable price or other change. The Prime Vendor shall treat such notification from the AbilityOne Commission as if the notification had been provided by DLA Troop Support.
- O. Any other commercial equivalent product with "essentially the same" product characteristics cannot be sold to DLA Troop Support customers under this contract. The Prime Vendor is not authorized to submit catalog changes containing other commercial equivalent products with "essentially the same" product characteristics as those items on the MPL.
- P. The following criteria should be used in determining if a commercial product is "essentially the same" as an AbilityOne MPL item:
 - i. It has effectively the same form, fit and function.
 - ii. The AbilityOne item and commercial products may be used for the same purpose.
 - iii. The AbilityOne item 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 AbilityOne product and commercial product are not significantly different from one another
- Q. 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. The Contracting Officer will notify the Subsistence AbilityOne Team. The Prime Vendor must also notify the NPA manufacturer to provide the NPA manufacturer with the opportunity to satisfy the unique packaging requirement being requested. The Prime Vendor's notification must include the customer's justification for the unique packaging requirement.

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- R. Payments shall be made directly to the NPA source.
- S. Monthly MPL Competing Item Reports are issued for each active Prime Vendor catalog. The monthly MPL Competing Item Reports are sent to the administering Contracting Officer (KO) and Tailored Vendor Logistics Specialist (TVLS). These reports will be reviewed to ensure active catalogs include the MPL items. The KO and TVLS will contact the Prime Vendor of competing item violations in order to ensure the mandatory item will be sourced and cataloged properly and in a timely manner.

9. CENTRAL/NATIONAL CONTRACTS

DLA TROOP SUPPORT reserves the right to issue Indefinite Delivery Type Contracts (IDTCs) to various suppliers for specific products to be distributed by the Contractor. It may be mandatory for the Contractor to order directly from these contracts. In the event the contracts do not specify the supplier(s) as a mandatory source, these contracts will provide the price ceiling for these items in the same/similar packaging, and if the Contractor chooses to catalog items from another source, other than that of the IDTC, the price charged by the Contractor to the ordering activity will not exceed the IDTC price, plus the Contractor's contract fixed distribution price. At time of award, and at other times when applicable, DLA TROOP SUPPORT will provide the Contractor with a list and copy of all IDTCs awarded, or it will be posted on the DLA TROOP SUPPORT website, to include their sourcing terms and conditions.

NOTE: There are currently no Central Contracts applicable to this customer region.

10. NATIONAL ALLOWANCE PROGRAM AGREEMENT (NAPA) DISCOUNTS

A. Definitions:

1. Agreement Holder: The supplier or manufacturer that has agreed to offer discounts to DLA TROOP SUPPORT on product under DLA TROOP SUPPORT Prime Vendor contracts.
2. 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 delivered price under Prime Vendor contracts to the customers of DLA Troop Support.
3. National Allowance Program Agreements (NAPAs): The agreements between DLA Troop Support and suppliers/manufacturers that identify product category allowances. These allowances or discounts were applied prior to the delivered/invoice price of the product. The NAPA does not affect the Contractor's distribution price in any way.

B. 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. In the event the NAPA Program is updated, the contractor will be required to comply with any successor discount program.

C. Under the NAPA Program, Agreement Holders will:

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1. Authorize and consent to allow the Contractor(s) to distribute covered products to ordering activities under the Prime Vendor Program.
 2. Offer discounts on the delivered price of the products ordered under Prime Vendor contracts, whereby the price to the customer includes the discount. The discounted price is the price that will be submitted via the 832 catalog transaction.
- D. 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 STORES catalog price must reflect the NAPA discount even if the NAPA item is not ordered directly from the NAPA manufacturer (i.e. from Agreement Holder).
- E. Under a contract resulting from this solicitation:
1. The Contractor agrees to catalog and bill the invoice price less the NAPA allowance to the Government, and initiate a bill-back to the Agreement Holder, if any customer 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.
 2. DLA TROOP SUPPORT will attempt to facilitate resolution of any such disputes, but DLA Troop Support disclaims any liability under such disputes.
- F. The NAPA Program is for the exclusive use of DLA TROOP SUPPORT customers purchasing product under the resultant contract.
- G. NAPA Tracking Program: The Contractor agrees to comply with the requirements of DLA TROOP SUPPORT's Tracking Program and shall provide the required product information to support the NAPA allowance and sales tracking website. Data shall be submitted as follows:
1. The required information shall be formatted into a flat ASCII data file.
 2. The data file shall be submitted electronically via FTP to <ftp://ftp.one2oneus.com>. To obtain a username and password please contact the contracting officer.
 3. File naming convention of `yyyymmdd[xxxx].txt` should be used when transferring a data file to the ftp site. Where `xxxx` can be used to keep data file names unique if transmitting more than once per day.
 4. The information shall be submitted weekly.
 5. The content of the data file includes a recap of all invoices submitted under all contracts of the prime vendor program for the previous week. The contents of the data file shall include all the information shown in the chart below.
 6. Tracking Program Data Chart:

	No	Field Name	Field Description	Width	Format
HEAD	0	TRANSDATE	Transaction System Date	10	MM/DD/YYYY
	1	CONTNO	Prime vendor DLA TROOP SUPPORT Contract Number	13	Alpha-Numeric

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SHIPPING LOCATION	2	PONO	Customer Purchase Order Number	14	Alpha-Numeric
	3	INVNO	Prime vendor Invoice Number	8	Alpha-Numeric
	4	INVDAT	Prime vendor Invoice Date	10	MM/DD/YYYY
	5	SHIPDATE	Prime vendor Ship Date	10	MM/DD/YYYY
	6	RELEASENO	PO Release Number/Call	4	Alpha-Numeric
	7	DODAACNO	DODAAC	6	Alpha-Numeric
	8	CUSTNO	Prime vendor Customer Number	15	Alpha-Numeric
	9	SHIPTONAME	Prime vendor Ship to Name	80	Alpha-Numeric
	10	SHIPTOADD1	Prime vendor Ship to Address 1	50	Alpha-Numeric
	11	SHIPTOADD2	Prime vendor Ship to Address 2	50	Alpha-Numeric
	12	SHIPTOCITY	Prime vendor Ship to City	50	Alpha-Numeric
	13	SHIPTOSTATE	Prime vendor Ship to State	20	Alpha-Numeric
	14	SHIPTOZIP	Prime vendor Ship to Zip	20	Alpha-Numeric
	15	SHIPTOCOUNTRY	Prime vendor ship to country	25	Alpha-Numeric
ITEM INFORMATION	16	PARTNO	Prime vendor Product Part Number	25	Alpha-Numeric
	17	NSN	Government NSN Number	13	Alpha-Numeric
	18	MFGSKU	Manufacturer SKU	20	Alpha-Numeric
	19	MFGUPC	Manufacturer UPC	20	Alpha-Numeric
	20	MFGNAME	Manufacturer Name or Manufacturer Brand Label Name	80	Alpha-Numeric
	21	PVDESC	Prime vendor Product Description	100	Alpha-Numeric
	22	CWITEM	Catch weight Item? (Y/N)	1	Y or N
	23	UNITWT	Case net weight	12	S999999.9999
	24	WUOM	Case net weight unit of measure	3	Alpha
	25	PACKAGE	Packaging description	35	Alpha
QTY	26	QTYINV	Quantity Invoiced / Returned – A negative is a return!	12	S999999.9999
	27	QTYUOM	Quantity invoiced unit of measure	3	Alpha
PRICE	28	UNITPRC	Unit price	12	S999999.9999
	29	UNITPRCUOM	Unit price unit of measure	3	Alpha
	30	UNITPRCCONV	Unit price conversion	12	S999999.9999
	31	EXTPRICE	Extended price	12	S999999.9999
NAPA	32	UNITALLOW	Napa unit allowance amount	12	S999999.9999
	33	ALLOWUOM	Napa unit allowance unit of measure	3	Alpha
	34	ALLOWCONV	Napa unit allowance conversion	12	S999999.9999
OTHER	35	OTHALLOW	All other allowances	12	S999999.9999
	36	OTHALLOWUOM	All other allowances unit of measure	3	Alpha
	37	OTHALLOWCONV	All other allowances conversion	12	S999999.9999
MAKRUP	38	MARKUP	Prime vendor unit distribution price	12	S999999.9999
	39	MARKUPUOM	Prime vendor unit distribution price unit of measure	3	Alpha
	40	MARKUPCONV	Prime vendor unit distribution price conversion	12	S999999.9999
COST	41	LANDCOST	Prime vendor landed cost	12	S999999.9999
	42	LANDCOSTUOM	Prime vendor landed cost unit of measure	3	Alpha

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43	LANDCOSTCONV	Prime vendor landed cost conversion	12	S999999.9999
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1. General Notes concerning formatting fields of data.
 - a. ALPHA-NUMERIC fields are to be left justified and padded with spaces to fill up the required field width.
 - b. DATE fields are to be formatted according to the following: MM/DD/YYYY. The slashes are included in the data value.
 - c. NUMERIC fields are to be formatted as specified and can be right or left justified. Leading zeros are not required but are allowed. Sign must be in front of leftmost number. Trailing spaces are allowed. The following examples are VALID: “- 0000123.4500” “- 123.4500” or “-123.45.” The following are NOT valid: “- 123.4500” “+123.4500” or “123.4500-.”
2. Field specific notes concerning data content and formatting. Ordered according to field number within chart above.
 0. Computer system transaction date. The date the transaction was created. This critical field is required to ensure that each week’s transmission does not overlap and/or overlook any data. If your organizations data does not allow back dated or future dated invoice dates, then you can use the invoice date for this field.
 1. Your DLA TROOP SUPPORT Contract Number (e.g. SP030098D1234) Matching 850/810 EDI document
 2. The Military Base’s Purchase Order Number (e.g. FT906880631234) Matching 850/810 EDI document.
 3. Your invoice number. (e.g. 00012356) Matching 810 EDI document
 4. Your invoice date. (e.g. 31 Jan 2005 = 01/31/2005) Matching 810 EDI document.
 5. Ship date. (e.g. 31 Jan 2005 = 01/31/2005)
 6. Release Number/Call Number from the originating Purchase order (e.g. 063A) Matching 850/810 EDI document.
 7. Department of Defense Activity Address Directory. (e.g. FT9068) Matching 850/810 EDI document.
 8. Contractor assigned customer number. (e.g. 00020)
 9. Ship to location name. Please provide full description of the location. (e.g. FT BLISS/DINING HALL C)
 10. Address line 1 of ship to name.
 11. Address line 2 of ship to name.
 12. City name of ship to name.
 13. State of ship to name.
 14. Zip code of ship to name if applicable
 15. Country of ship to name.
 16. Contractor’s part number of the product that shipped. All leading zeros are required. All characters such as dashes are also required if the vendor uses the character in their part number identifier. (e.g. 0012345-24567V) This correlates to the part number submitted on the 810 invoice document.
 17. This field represents National Stock Number assigned by DLA TROOP SUPPORT also known as the Customer Part Number. (e.g. 891500E210123)
 18. Manufacturer’s/Supplier’s part number of the product. All leading

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zeros are required. All characters such as dashes are also required if the manufacturer uses the character in their part number identifier. (e.g. 12345)

19. Manufacturer's UPC or SCC number of the product. The UPC should be formatted as a UPC or SCC. (e.g. 0-54321-12345-9 or 001-54321-12345-9) If your system does not provide the check digit it may be omitted.
20. This field needs to identify the manufacturer (not necessarily the supplier) of the product. 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.
21. This field represents Contractor product description. (e.g. CRACKERS 5/1 LB)
22. This is a flag indicating if the item is a catch weight item. (e.g. "Y")
23. This is the case net weight of the product shipped. (e.g. 000022.4500)
24. This is the case net weight unit of measure. (e.g. "LB")
25. This field represents the packaging description. (e.g. 6 - 5 LB PER CASE)
26. This field represents quantity invoiced. (e.g. 2 units = 000002.0000)
27. This field represents unit of measure of quantity invoiced in field 26 (e.g. CS or LB)
28. This field represents the unit price (e.g. 000019.99)
29. This field represents the unit price unit of measure (e.g. LB)
30. This field represents the unit price conversion factor to quantity unit of measure (field 28). (e.g. 000020.0000) If field 28 is "CS" then this means there are 20 pounds in each case.
31. This field represents the Extended Price charged for the Quantity Invoiced in field 27. (e.g. \$39.98 = 000039.9800) This is typically calculated by multiplying field 26 times field 28 if field 27 equals field 29.
32. 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. (e.g. 0000000.3500)
33. This is the allowance unit of measure for field 32. It can be found in the NAPA table. If the product is not subject to a NAPA allowance, then please leave this field blank. (e.g. CS or LB)
34. This field represents allowance unit of measure conversion factor which is conversion from field 33 to field 27.
35. All other allowances dollar amount. Such as food show allowances, etc.
36. Unit of measure for field 35.
37. All other allowance unit of measure conversion factor which is conversion from field 36 to field 27.
38. 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 measurement of field 27. This is required in order to insure that a NAPA allowance was provided off-invoice.
39. This field represents unit of measure for field 38.
40. This field represents Contractor unit distribution price unit of

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measure conversion factor which converts from field 39 to 27.

41. This field represents Contractor landed cost for the item shipped. (e.g. 0000002.5000)
42. This field represents Contractor landed cost unit of measure. (e.g. CS or LB)
43. This field represents Contractor landed cost conversion factor which converts from field 42 to 27.

11. CURRENT BRAND NAME ITEMS

Based on the ordering habits of the customers listed in this solicitation, the current Market Basket and total catalog of items includes numerous Current Brand Name items. These are items whose manufacturers have offered the Government a discount under the NAPA Program. Alternate items may be offered and accepted upon Contracting Officer approval. This does not preclude future catalog changes during the life of the contract to add competing products based on added value to the customer.

12. BEVERAGE DISPENSERS

- A. When requested, the Contractor is responsible to furnish all hot and cold beverage dispensing machines, without additional charge to the Government, as well as the beverage products as listed in the STORES Vendor Item Catalog. The 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 Contractor.
- B. When requested, the Contractor shall be responsible to furnish mechanically refrigerated dispensing machines and heads suitable for use with the Contractor's bag-in-the-box juices and drinks product and mixes. A sufficient number of machines and dispensing heads shall be installed in the customer's facility to accommodate the specific needs of each ordering activity. The Contractor will be responsible to provide a technically qualified service representative to perform maintenance and quality control inspections, as required, and upon notice of the customer of a problem on each dispensing system.

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****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

- C. The Contractor will provide a technically qualified service representative to perform maintenance and quality control inspections, as required, when ships are in port and upon notice of the customer of a problem on each dispensing system. Soda dispensing may not be part of this contract based on customer preference. It is expected that Soda will be covered under market ready contracts.

**** END NAVY SHIPS LANGUAGE****

- D. Any equipment or material furnished by the Contractor shall remain the property of the Contractor and will be returned to the Contractor at the conclusion of the contract in the same condition in which it was received, fair wear and tear excepted. Any concerns of excessive "wear and tear," as noticed during routine maintenance and/or customer problem notification shall be immediately brought to the attention of the Contracting Officer for further investigation.

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13. INVENTORY REQUIREMENT / NEW ITEMS

- A. The Contractor shall be required to catalog and carry inventory for any item required by customers when the total order quantity for that product for all contract customers is at an average usage rate of 20 cases per month. The Contractor shall not be required to carry inventory for any item required by customers when the total order quantity for that product for all contract customers is at a rate of less than 20 cases per month. However, they are required to catalog and provide the item.

NOTE: If a contractor has more than one place of performance, the average usage rate of 20 cases per month is based on the total contract usage, not by individual customer or individual place of performance.

- B. Special Order / Holiday Items are excluded from the 20-case requirement. In addition, specialty items required in support of Hospitals, and Nutritional Medicine Customers are excluded from the 20-case requirement. Such items include, but are not limited to, the following: baby food, baby formula, nutritional shakes, food for feeding tubes, diced pears, and diced peaches. These items are still required to be cataloged and carried in the Contractor's inventory even if the average usage rate is less than 20 cases per month.
- C. There is no 20-case requirement for Mandatory Product List (AbilityOne) items. The contractor shall catalog and carry inventory for MPL items when required. (See Paragraph 8, Mandatory Sources -The AbilityOne Program).
- D. Throughout the period of contract performance, a customer base or dining facility may undergo a new menu initiative or transformation that will result in a significant number of catalog changes and the addition of several new items. Items that are required to support the new menu must be added to the catalog and are excluded from the 20-case requirement for a two-month period from the time of the menu implementation. Menu implementation is the date when all items are available for order on the catalog and the customer begins ordering those items.
- E. The Contractor shall source and add new items to the catalog through the STORES New Item Request process within a maximum of 30 days (for new suppliers) (or 21 days for existing suppliers) of notification of the Contracting Officer's approval of price reasonableness. The Contractor must notify DLA Troop Support and the requesting activity when new items are available for distribution.
- F. The Contractor will be responsible for notifying the Contracting Officer on a monthly basis if any catalog item is not meeting the 20-case monthly average usage so that the item may be considered for deletion from the catalog.
- G. The Contractor is encouraged to introduce new food items to the customers, as well as to show cost effective alternatives to their current choices.
- H. All new items need the approval of the individual military services' headquarters prior to stocking the item. New item additions and/or changes to LSNs must be authorized in writing by the Contracting Officer prior to the 832 catalog update transmissions.

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- I. When a new item is being added to the catalog to replace an item that is currently on the catalog, inventory of the current cataloged item must be depleted before the new item can be added to the catalog.

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J. For Navy-unique items, if after a period of 90 days in stock with zero overall case sales, or if an item is approaching the minimum acceptable shelf-life for delivery, and when removal of an item from the catalog is recommended, the Contractor will bring this to the attention of the Contracting Officer. Disposition of the item will then be resolved by a detailed review of the requirements by the Contractor and the Government. The Contractor will explore all available avenues for resale of non-moving stock, including other commercial and DoD customers.

K. RAMP UP/ RAMP DOWN:

New MLL items will have a 30 day ramp up period prior to the new MLL date. Items scheduled for deletion will have a 60 day ramp down period from the new MLL date, in which both the new and old item will appear on the catalog, in order to reduce the levels of stock on-hand for the deleted item. The Contractor will inform NAVSUP of stock on hand of the deleted item, and the customer will make a reasonable effort to deplete the item prior to ordering the new item.

L. The Contractor is encouraged to show cost effective alternatives to their current choices within the limits of the MLL.

****END NAVY SHIPS LANGUAGE****

M. The Government is not obligated to purchase any items that are required to be cataloged and inventoried pursuant to this section I.13 Inventory Requirements/New Items or any other part of this solicitation and the resulting contract. The Government's only legal obligation under this indefinite quantity contract is to purchase the guaranteed minimum dollar value (see Statement of Work section I.1.E. and FAR 52.216-22, which is incorporated in this solicitation/contract).

II. PACKAGING AND LABELING/MARKING

- A. All packaging and packing shall be in accordance with good commercial practice. Labeling shall be in accordance with commercial labeling complying with the Federal Food, Drug and Cosmetic Act and regulations promulgated there under (See Warranties, part B.). Shipping containers shall be in compliance with the National Motor Freight Classification and Uniform Freight Classification Code. The Contractor shall be responsible for abiding by any applicable packaging, packing, and marking regulations of the various countries in/through which product will be stored/transported. In accordance with USDA-FSIS labeling regulations, all products must be appropriately labeled as follows:

The Principal Display Panel (PDP) showing:

- 1) Product Name
- 2) Handling Statement

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- 3) Legend/Establishment Number
- 4) Net Weight Statement

The Information Panel showing:

- 1) Ingredients Statement
- 2) Signature Line
- 3) Nutrition Facts*

Mandatory Safe Handling Instructions Displayed Anywhere on Labeling

* Although the nutritional statement is not mandatory on some items, if nutritional facts are not included on the Information Panel, offeror must provide the nutritional facts on the manufacturer's technical specification.

- 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 raw ground beef items are required to have the fat/lean ratio declared on the label (for example, 85% lean, 90% lean). Any ground beef product not declaring the fat/lean ratio will not be acceptable.
- D. 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. Meats, poultry, and seafood should be vacuum packed when practicable. In all instances, the packaging must protect the product from freezer burn and contamination.
- E. To ensure that the carrier and the receiving activity properly handle and store items, standard commercial precautionary markings such as "KEEP FROZEN" for frozen items, "KEEP REFRIGERATED" for chilled items, etc. shall be used on all cases when appropriate.
- F. Chill and freeze products must be shipped in refrigerated (Reefer) Vans and appropriately separated per temperature requirements.
- G. To the maximum extent possible, nutritional and ingredient labels shall be placed on the individual package.
- H. Any product that is not labeled with the name and address of the manufacturing establishment must be identified as to its manufacturer by advance written notice to Contracting Officer during implementation of contract/catalog and the listing must be kept current during the life of the contract whenever there is a change/addition to a manufacturer.
- I. CODE DATES: All food and beverage products shall be identified with readable dates (open code dates), or coded dates, as determined by the type of product delivered. For semi-perishable, shelf stable items, open dating is preferred but code dating is acceptable. Contractors that do not use open dating shall provide a product code number key to the Account Manager and each customer facility. This product code key is to be issued to

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each customer as well as the DLA TROOP SUPPORT Account Manager on or before first delivery. Changes to the book are to be made as necessary. It is highly recommended that the Contractor review and update this book on a quarterly basis. Items other than semi-perishable, shelf stable products must have readable, 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 markings.

J. TRACEABILITY REQUIREMENTS FOR CONTRACTORS 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/vessel, 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/vessel, 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-FTSB's Quality Auditors the documentation for samples selected during Prime Vendor 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.

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 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.

- K. All Contractor shipments must be palletized in accordance with good commercial practices. Standard size: 40 x 48 inch pallet, but no higher than 60 inches is acceptable. The Contractor is responsible for the purchase of all pallets. Pallet retrieval and all associated costs shall be the responsibility of the Contractor. Cases are to be stacked according to industry standards, but are to be skillfully built to allow the receiver to out-

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check/in-check all items on that pallet. Additionally, fragile cases must not have cases above them, but can have them beneath. For example, eggs are not to be packed with cases over these items.

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****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

- L. All product must be palletized and placed on the pier at the brow of the ship.
- M. The Contractor will use standard commercial palletization and shrink-wrapping. Pallet height shall not exceed 60" in height including the pallet. Pallet retrieval, and all associated costs, shall be the responsibility of the Contractor. There is no pallet exchange program. The Prime Vendor shall sweep all Naval Station Pascagoula and Gulfport piers for Prime Vendor owned pallets on a daily basis as a minimum, Monday through Friday between 0800-1500 hours (i.e. 8:00 AM-3:00 PM, local time) and retrieve Contractor owned property. Pallets must be identifiable with the Contractor's logo or other distinct markings. If pallets are not retrieved before the cut-off times, the base recycle truck driver is required by security regulations to pick up and move pallets to a remote location.
- N. Palletizing for Aircraft Carriers and Resupply Ships must be done by using a two-way wing-type pallet. The commercial wood wing pallet dimensions must be 40"X48"X48" or 48"X40"X48". The Industrial Standard Specification for Wood pallets is the "American Society of Mechanical Engineers (ASME) MH1-Part 9, Part Number MH1-9-05-SW4048." All pads must be commercial fiberboard, 40"X48", positioned on the pallets before loading. Pallet height must NOT exceed 48. The unit load bonding material must consist of strappings: two girth-wise and three lengthwise. Bonding material shall be threaded through the strapping slots on the pallet to form a consolidated, stable cargo, which can be handled as a unit.
- O. The palletized/containerized unit loads require placards. The placards contain identification and contract data markings, which are to be stenciled, printed or labeled on two adjacent sides of the unitized load. The placards contain the stock number, item description, quantity (the number of shipping cases in the unit load), size and unit, the gross weight and cube, the contract and delivery order number, the Contractors name, address and nine digit zip code, and expiration date.
- P. All shipments of flour, sugar, salt and rice must be further packaged in a tri-wall container.
- Q. The load outs require single line items to a pallet. Mixed loads are not permitted.
- R. A pallet yard or pallet retrieval system is required and shall be the responsibility of the Contractor.
- S. The Contractor shall provide a standardized pre-delivery customer fill rate report in a hard copy and Excel format.
- T. The following applies to Cargo Ships only:
 - 1. Pallet height shall be 46" or 48" high.
 - 2. Each Pallet shall be labeled to identify which FIC or NSN is on the pallet to include the quantity and expiration date.
 - 3. One pallet shall contain one line item only where practical, but not to exceed 5 different FIC/NSN's per pallet.
- U. The following applies to Consolidated Delivery/ Replenishment at Sea (CONSOL/ RAS) only:

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1. Pallets should be double shrink-wrapped.
2. Pallets must be no more than 40 inches high to include the height of the pallet.
3. Pallets shall not be no more than double stacked, i.e. totaling 80 inches.
4. The Contractor shall provide an estimated pallet count by frozen, dry and chill.

V. The Navy has incorporated a new initiative that adds a bar code of the Stock Number to the label. The bar code is used to receipt product at time of delivery. In addition to the information listed above, the Contractor must provide a bar code on the case label. The label shall be placed on each case so that the bar code is not wrinkled, wet or wrapped around case corners. It must be suitable for accurate and quick scanning and must include:

1. Requisition or Purchase Order number
2. The Stock Number represented in both human readable and bar coded format. This format shall be Code 128 with no less than 7.5 mil bar. Approximate size to be 3" long by 1/2" tall.
3. Human readable FIC.
4. When the weight of a packaged item is random or catch-weight, the weight must appear on the label. The following sample label is provided. Actual labels must AT LEAST be the same size as the sample. (Approximately 4" X 4")

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not exceed sixty (60) pounds. Case weights for high volume items should not be less than forty (40) pounds. These items will be identified at cataloging. Clarification and changes of high volume items will continue throughout the life of this contract.

Z. Packaging for shipboard stowage may require deviation from standard commercial pack. Product should be snugly packed.

AA. Commercial cartons that fail to hold up under ship board stowage conditions must be changed to ensure product durability.

**** END NAVY SHIPS LANGUAGE****

III. INSPECTION AND ACCEPTANCE

1. POINT OF INSPECTION AND ACCEPTANCE

- A. Inspection and acceptance of products will be performed at destination. 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.
- B. All deliveries are subject to Military Veterinary/Medical inspection, if deemed necessary or as requested by the customer/Receiving Officer. 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.
- C. The Government's authorized receiving official at each delivery point is responsible for inspecting and accepting products as they are delivered. The delivery ticket shall not be signed prior to the inspection of each product. All overages/shortages/returns are to be noted on the delivery ticket by the Government's authorized receiving official and the truck driver. The Government's authorized receiving official's signature on the delivery ticket denotes acceptance of the product.
- D. The Contractor shall forward three (3) copies of the delivery ticket/invoice with the shipment. The receiving official will use the delivery ticket/invoice as the receipt document. All three copies must be signed by the customer and the driver. One copy will remain with the customer and the other two copies will go back with the driver to the Contractor's facility. No electronic invoice shall be submitted for payment until acceptance is verified.

2. REJECTION PROCEDURES

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- A. If product is determined to be defective, damaged, and/or compromised in any other manner, it may be rejected by the Government's authorized receiving official.
- B. Product found to be non-conforming or damaged, or otherwise suspect, the Government's authorized receiving official shall reject the item and/or determine the course of action to be taken with the product in question. The final decision to accept or reject the product is to be made by the Government's authorized receiving official.
- C. 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 invoice total must be adjusted to reflect the correct dollar value of the shipment. Replacements may be authorized based on the customer's needs. To the greatest extent possible, on an as-needed, emergency basis, same day re-delivery of items that were previously rejected shall be made, so that the customer's food service requirements do not go unfulfilled for that day. The re-delivered items will be delivered under a separate invoice utilizing a new order. These re-deliveries will not constitute an emergency and/or separate requirement and therefore will have no additional charges.
- D. In the event that a product is rejected after delivery is made, the Contractor will pick up the rejected product or make other disposition arrangements deemed acceptable by the customer. 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 vendor has already been paid for the product, a claim will be issued through DLA TROOP SUPPORT's financial system and the Contractor shall promptly pay the claimed amount. In all cases, one (1) copy of the credit memo is to be given to the customer and one (1) copy of the credit memo is to be sent to the DLA TROOP SUPPORT Contracting Officer.
- E. It is a requirement of this Contract that product shall be inspected by the Government upon receipt as promptly as practicable. However, failure to promptly inspect or accept supplies at the time of receipt shall not relieve the Contractor from responsibility, nor impose liability on any of the customers, for nonconforming supplies. When an item is rejected the Contractor is to take the food back to its location.
- F. Supplies transported in vehicles which are not sanitary, or which are not equipped to maintain prescribed temperatures, may be rejected without further inspection.

IV. QUALITY ASSURANCE

1. CONTRACTOR'S QUALITY ASSURANCE PROGRAM

- A. The Contractor shall use a Supplier Selection or Certification program to ensure standardized product quality for each item supplied and/or listed in

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the stock catalogs, regardless of supplier. 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 product appearance, grade, yield, taste, texture, etc. shall be minimized.

- B. The Contractor shall maintain a quality program for the product acquisition, warehousing and distribution to assure the following:
1. Standardized product quality;
 2. Wholesome product by veterinary standards
 3. The usage of First-Expired, First-Out (FEFO) is preferred; then First-In, First-Out (FIFO)
 4. Product shelf life managed and monitored (by date of pack/production of the item);
 5. Items are free of damage;
 6. Correct items and quantities are selected and delivered;
 7. Ensure requirements of the Berry Amendment are met;
 8. Customer satisfaction is monitored;
 9. Product discrepancies and complaints are resolved and corrective and preventive action is initiated;
 10. Manufacturer, FDA, or DoD initiated food recalls are promptly reported to customers and DLA TROOP SUPPORT;
 11. Compliance with Environmental Protection Agency and OSHA requirements;
 12. Compliance with FSMA (Food Safety Modernization Act) requirements;
 13. Distressed or salvaged items or products shall not be used;
 14. Applicable food products delivered originate from a source listed as a Sanitarily Approved Food Establishment for Armed Forces Procurement and/or listed in 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. Bulk Fresh fruits and vegetables suppliers must be inspected and listed under the USDA-AMS GAP and/or the GHP Directory.
 15. Hazard Analysis and Critical Control Point (HAACP), if applicable;
 16. Commercial standards are used to maintain temperatures appropriate for individual items.
- C. The Contractor shall have a formal quality assurance program and a quality control manager that is responsible for oversight of the program. All aspects of quality as related to this Subsistence Prime Vendor Program shall be proactively monitored and evaluated by the Contractor.
- D. All products shall be properly managed by the Prime Vendor to avoid the expiration of product. The Prime Vendor will bear all risk, including associated costs, with product expiration. The Government will not be liable for any expired product costs under this contract.
- E. It is the policy of the Federal Government to encourage responsible uses of medically important antibiotics in the meat and poultry supply chain by supporting the emerging market for meat and poultry that has been produced according to responsible antibiotic-use policies, defined as those policies under which meat and poultry producers use medically important antibiotics only under veterinary oversight and only when needed to prevent, control, and treat disease – but not for growth promotion. This

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policy is expected to be in place in 2020; however, offerors are strongly encouraged to begin adopting responsible antibiotic-use policies prior to this date. More information about this policy can be found at:

www.whitehouse.gov/the-press-office/2015/06/02/fact-sheet-over-150-animal-and-health-stakeholders-join-white-house-effo"

2. PRODUCT QUALITY & SHELF LIFE REQUIREMENTS

For all Customers, acceptance of supplies awarded under this solicitation will be limited to product processed and packed from the latest seasonal pack during the contract period. The SPV Contractor shall use First Expired First Out (FEFO); however, the First In First Out (FIFO) method is acceptable, in accordance with its regular commercial practice. All products delivered shall be as fresh as possible and within the manufacturer's original shelf life (i.e., Best if Used by Date, Expiration Date, or other markings). Products commonly sold "Chill" in the commercial market but required/identified as "Frozen" in the DLA TROOP SUPPORT item description (due to customer need) should be purchased frozen from the manufacturer. These highly-perishable and short-shelf life items 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 (preferably) and/or shall be blast-frozen by the Contractor following the manufacturer's "Freeze-by-Date" guidelines to preclude degradation and to extend shelf-life. 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. 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, no product shall be slow-frozen. Cottage cheese and cream cheese shall not be frozen under any circumstance.

A. Shelf life requirements:

1. For annual pack items, products shall be from the latest seasonal pack available, and shall not be older than one year from Date of Pack/Production Date upon receipt at the Contractor facility or the immediate prior year's pack during brief "carry-over" periods in accordance with commercial practice, unless approved in advance by the Contracting Officer.
2. For items produced with shelf life greater than 90 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 to the Contracting Officer who will in turn notify the Contractor.
3. For items produced with shelf life less than 90 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 to the Contracting Officer who will in turn notify the Contractor.

4. PRODUCT QUALITY FOR FRESH FRUITS AND VEGETABLES

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- i. Shelf-life: All products delivered shall be as fresh as possible and within the Growers/Packers' original shelf life (i.e., Best if Used- by-Date, Expiration Date, or other markings). All products shall be identified with readable open code such as "Best-Used-by- Date," "Sell-by-Date," date of production, or similar marking indicating the end of the guaranteed freshness date.
- ii. For Fresh-Cut Fresh Fruits and Vegetables/Ready-to-Eat Salads/Cole Slaw/etc: Individual bags/containers must be marked with a 14-day shelf life from the date of production. All products must be received by the customer with at least 50% of recommended shelf life remaining. If the manufacturer recommended shelf life is less than 14-days, the Contracting Officer must be notified in advance and approve shelf life. Any deviation for these requirements must be approved prior to customer delivery, in writing, by the Contracting Officer.

B. Commercial standards shall be used to maintain temperatures appropriate for individual items. Products required to be chilled must be maintained and delivered chilled, and products required to be frozen must be maintained and delivered frozen (no product shall be slow-frozen in any case).

C. As with any substitution, the Contractor must receive the ordering activity's Government designated representative's prior approval if product offered for delivery will possess a lesser shelf-life. Chilled products shall not be frozen in an attempt to extend shelf life.

D. It is NOT DLA Troop Support's policy to grant shelf life extensions for SPV CONUS contracts.

E. Level of Product Quality:

1. All items must meet the Government's item description of their assigned Government stock number.
2. When designating an item as a match for the DOD item in the Market Basket listed in the solicitation, the item must be:
 - a. Identical in respect to packaging when the DoD unit of issue is not described by weights (e.g. pound or ounce).
 - b. Identical for portion/package size and units per pack.
 - c. Equivalent in respect to grade or fabrication.
 - d. Commercial standards should be used to maintain temperatures appropriate for individual produce items during storage and delivery to DLA Troop Support customers.
3. All items must meet or exceed the Government's item description of their assigned Government stock number and the specified US. Grade. The grade requirement which is acceptable for canned fruit and vegetables must meet Grade B or better; for the Army, Grade A is preferred. Please refer to each Service's buyers guide for further detailed specification.

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3. SHELF LIFE REQUIREMENTS FOR DAIRY PRODUCTS

- A. Acceptance of supplies awarded under this solicitation will be limited to fresh product.
- B. Commercial standards shall be used to maintain temperatures appropriate for the individual items.
- C. Fluid dairy products and other dairy products shall have sufficient remaining shelf life commensurate with good commercial practice. Each container, carton, etc. shall have visible, legible and understandable "sell-by-date" or equivalent marking.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

D. Milk (fresh), Whipping Cream (fresh), Cream (fresh), and Half and Half (fresh), Ice Milk Mix, Fresh (soft serve), Milk Shake Mix, Fresh (direct draw) must have minimum 7 days product shelf life remaining upon delivery.

E. Half and Half (ultra-pasteurized) and Buttermilk must have a minimum 45 shelf life days remaining upon delivery.

F. Whipping Cream (ultra-pasteurized), Cream (ultra-pasteurized) and Eggnog (ultra-pasteurized) must have a minimum 21 days product shelf life remaining upon delivery.

G. Cottage Cheese, cultured, or acidified, normal shelf life, and Cottage Cheese, cultured or acidified, extended shelf life, must have a minimum 21 days product shelf life remaining upon delivery.

H. Sour Cream must have a minimum 21 days product shelf life remaining upon delivery.

I. Yogurt must have a minimum 21 days product shelf life remaining upon delivery.

J. Ice Cream must have a minimum 7 months shelf life remaining upon delivery.

****END NAVY SHIPS LANGUAGE****

4. ACCEPTANCE REQUIREMENTS FOR FROZEN ITEMS

- A. In order for frozen items to be accepted by the receiving activity, at a minimum, the following criteria must be observed:
 - 1. Packages must be solid, not soft, upon arrival;
 - 2. Container and wrapping must be intact and in a solid condition;
 - 3. Packages must be free of drip and show no evidence of thawing and re-freezing (i.e. watermarks on boxes; off odor) or dehydration.
 - 4. Cello wrapped packages must not be discolored or show other signs of freezer burn.

5. WARRANTIES

- A. The supplies furnished under the resultant contract(s) shall be covered by the most

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favorable commercial warranties that the Contractor, as applicable, gives to any customer. The warranty 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" contained in the solicitation.

B. 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.

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6. WAREHOUSING AND SANITATION PROGRAM/STORED PRODUCT PEST MANAGEMENT

The Contractor shall develop and maintain a sanitation program and 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, Good Manufacturing Practices (GMPs), Food Safety Modernization Act (FSMA), the Federal Insecticide, Fungicide, and Rodenticide Act, the Food, Drug, and Cosmetic Act of 1938 as well as other pertinent US federal, state and local laws and regulations (and other applicable laws in US Territories and other countries where facility is located) applicable to products and facility. 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.

7. 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 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" below. Warehouse/storage facility used by the Contractor to store food products intended for DLA customers will be inspected for sanitation, FOOD SAFETY AND MODERNIZATION ACT (FSMA), 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 Contractor stores, distributes, processes, and/or ships fresh fruits and vegetables (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 HACCP Audit will be performed if a fresh-cut operation is performed at the Contractor's facility. Bulk Fresh fruits and vegetables suppliers must be inspected and listed under the USDA-AMS GAP and/or the GHP Directory.

8. SANITARY CONDITIONS

(a) Food establishments.

(i) 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 (ii) and (iii) below, products

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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 Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement, (Worldwide Directory) (available at: www.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 (ii) below. Suppliers also agree to inform the Contracting Officer when sanitary approval is regained and listing is reinstated.

(ii) 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.

(iii) 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 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.

(iv) 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.

(v) 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 www.ams.usda.gov/poultry/grading.htm.

(vi) 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 www.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.

(vii) Fish, fishery products, seafood, and seafood products may be supplied from establishments listed under "U.S. Establishments Approved For Sanitation And For

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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). 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.

(viii) 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 Human Services, Food and Drug Administration (USDHHS, FDA) <https://www.fda.gov/food/federalstate-food-programs/milk-safety-programs-shippers-list>. 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 www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Milk/default.htm.

(ix) 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: 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.

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

(xi) 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: www.armypubs.army.mil/Search/ePubsSearch/ePubsSearchForm.aspx For the most current listing of exempt plants/products, see the Worldwide Directory (available at: www.phc.amedd.army.mil/topics/foodwater/ca/Pages/DoDAApprovedFoodSources.aspx).

(xii) Subsistence items other than those exempt from listing in the Worldwide Directory, bearing labels reading “Distributed By”, “Manufactured For”, etc., are

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not acceptable unless the source of manufacturing/processing is indicated on the label or is included/added to the listing of manufacturers provided to the Contracting Officer in accordance with II. PACKAGING AND LABELING/MARKING, H.

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

9. PRIME VENDOR QUALITY SYSTEMS MANAGEMENT VISITS AND AUDITS

A. QUALITY SYSTEMS MANAGEMENT VISITS (QSMVs)

The DLA Troop Support Subsistence Supplier Support Division's audit personnel may conduct unannounced Quality Systems Management Visits (QSMVs) to review the Contractor's compliance with the terms of the contract. The visits will be internally scheduled within DLA Troop Support as a result of unsatisfactory ratings received during DLA TROOP SUPPORT Prime Vendor 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 all-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

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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 DLA TROOP SUPPORT customers served by the Contractor.

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 Non-Price Proposal will be incorporated by reference into the contract. The Contractor will be responsible for complying with its Non-Price Proposal. Procedures and processes set forth in the Contractor's Non-Price Proposal may be used as standards for a QSMV. If there is any conflict between the solicitation language and the Contractor's Non-Price Proposal, the solicitation language governs.

The Contractor must address and take corrective and preventive action to any concerns identified as a result of the QSMV, within the required timeframe as cited in the QSMV report or out brief. 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 eliminate the Government's right to terminate the Contractor's contract should the identified concerns continue, the Contractor fails to take corrective and preventive action, or the Contractor's corrective action fails to correct the problem.

B. PRIME VENDOR PRODUCT QUALITY AUDITS:

1. Basic Audits

- a. The DLA TROOP SUPPORT Prime Vendor Product Quality Audit Program, covering all Food Classes within the Contractor's catalog (Meat, Poultry, Seafood and Processed Products, and other items, "Miscellaneous" 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 are to ensure:
 - i. Contractor adherence to contract requirements
 - ii. The quality level of the materials supplied is satisfactory and uniform throughout the DLA TROOP SUPPORT-FT Prime Vendor Regions.
 - iii. 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 Prime Vendor Product Quality Audit Team.

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- c. The Contractor will undergo an audit at least once per contract period. The audits are conducted as a product cutting. The cost of one Food Audit is estimated at \$11,000.00 (for product cost only). The Contractor will provide samples of catalog items chosen by the government at a cost of up to \$11,000.00 per audit. In addition to this amount, if a Produce Quality Audit is performed the Contractor will also provide produce sample items at a cost of up to \$1,500. The Contractor is required to provide the following support to the DLA Troop Support Audit Team: personnel and equipment to select, separate, move, and discard audit samples and to monitor thawing of some products before and during the audit. The Contractor is hereby notified that the DLA Troop Support Audit Team may take digital pictures during the audit. Additional cost may be incurred by the Contractor if their facility does not have a facility/kitchen or the equipment needed to perform the audit. For additional costs associated with Follow Up Audit/QSMV due to prior audit/QSMV failure, see paragraph 6 below ("Follow Up Audits").

NOTES:

- (1) Since there is no destructive sampling performed during a QSMV, there are no anticipated product costs associated with QSMVs. The Prime Vendor will, however, be responsible for any such costs.
- (2) The Government reserves the right to conduct an unannounced QSMV in lieu of an initial audit or other audit during contract performance if deemed in the best interest of the Government.

2. Audit Process

- a. The Contractor will be given advance notice of no more than sixty (60) calendar days of an impending audit. Effective upon receipt of the notification, the Contractor will not change or delete items from the contract catalog without first receiving written permission from the Contracting Officer to delete the item(s). The Government reserves the right to conduct unannounced food audits or QSMV.
- b. The DLA Troop Support Quality Audit is typically a three (3) day process. Day one is devoted to sample selection at the Contractor's warehouse and performance of the Joint USDA-AMS/DLA Sanitation /Food Defense Audit. Days two and three encompass the performance of the actual Prime Vendor Product Quality Audit.

NOTE: If a Produce Audit is performed in conjunction with a Prime Vendor Audit, an additional day will be added to the audit (See Produce Audit information in c. below.) In the event of a Produce Audit being conducted in conjunction with a Prime Vendor Audit, the Prime Vendor Audit portions will occur on days three and four.

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- c. If the Contractor stores, distributes and/or ships fresh fruits and vegetables (Produce) to DLA customers, a Produce Quality Audit may be conducted in conjunction with the Prime Vendor Product Quality Audit or separately. Fresh fruits and vegetables supplied shall be US Grade 1 or higher. Also, if fresh-cut operations are performed at the Contractor's facility, a Joint DLA/USDA-AMS Good Agricultural Practices (GAP)/Good Handling Practices (GHP)/Hazard Analysis Critical Control Points (HACCP) Audit will be performed.
 - i. 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. Warehouse/storage facilities used by the Contractor 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's and DLA Troop Support's Quality Auditors or by USDA-AMS's Auditors as requested/directed by DLA.
- d. 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, and conduct a compliance evaluation of the contractors approved Food Defense Plan.
- e. 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.
- f. During the Prime Vendor Audit 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-AMS Warehousing Standards, Good Manufacturing Practice, Food Safety

Modernization Act, additional provisions of the Code of Federal Regulations and other applicable standards, regulations, and contract requirements.

NOTE: If a Produce Quality Audit is performed, the DLA Lead Auditor will assign an item rating based on compliance with or departure from stated requirements in the DLA Troop Support NSN/LSN catalog and the specified US Grade 1 Standards.

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- g. Deviations from the contract or stock number requirements will be color coded and classified based on the severity of departure from requirements as follows:

PRIME VENDOR PRODUCT 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 nonconformances: 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 workmanship/fabrication or minor weight issues; Minor deviations from packing, packaging, labeling and marking requirements that would not necessitate a regulatory market suspension or affect DLA TROOP SUPPORT's ability to recall the item.

ACTION REQUIRED: This nonconformance requires attention from the Contractor. Minor nonconformance's may be tolerated by the customer for a short period of time (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 non-conformances: 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: Contractor 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 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

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render an item unfit for human consumption.

ACTION REQUIRED: Contractor 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) = At CONUS 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 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 non-conformances 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.

3. Prime Vendor Audit Preparation

The Contractor is responsible 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's facility or the space is inadequate, other arrangements must be made by the Contractor. The room must be equipped with running water. To ensure accurate weight of audited items, it is highly recommended that scales used during the audit are calibrated within the 60-day notification period and an applicable set of test weights are available to verify scale accuracy. A scale capable of weighing portion control items and roasts, and a scale capable of weighing full cases are required. Clean-up of the cutting area/room and continuous clean-up of equipment will be the Contractor's responsibility. The Contractor must contact the Lead Auditor to discuss the location, adequacy of the facility, and equipment available as soon as possible but no later than 45 Calendar days prior to the audit. The following is the list of equipment/supplies 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;

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- g. Deep fat fryer;
- h. Microwave;
- i. Calibrated Scales/Test Weights: One digital portion scale able to record product weights in both ounces and grams and capable of measuring down to the nearest hundredth is preferable, and a set of test weights with a recommended weight range of 1.0 ounce to 1 pound; and, one scale able to record product weights for full cases with an approximate weight range of 0-100 lbs. and capable of measuring down to the nearest tenth is preferable and a 25 lbs. test weight;
- j. A minimum of 10 large flat baking sheet pans, plastic trays or some type of tubs to place thawed meats;
- k. Cart to move samples around;
- l. Cutting boards (two or three);
- m. Large trash cans with bags;
- n. Power hook-up for 3-4 computers;
- o. Access to a copy machine;
- p. Small box for ground beef samples (Approx. 10 oz.) and dry ice or cold packs for mailing;
- q. Miscellaneous supplies: Paper towels; large heavy-duty plastic trash bags; one-gallon zip-lock storage bags (for microwave cooking); one box of large latex gloves; paper flip chart/easel with markers (RED, BLUE, ORANGE, GREEN, BLACK); cellophane tape; binder clips; and a stapler; and
- r. Optional but considered highly desirable: Cloth towels and floor covering to maintain clean and sanitary floor areas.

4. Sample List/Selection of Samples

The Lead Auditor will provide a list of sample items upon arrival at the Contractor's facility. Two samples for each item will be selected. A 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. 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. 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. Samples of product may be sent for lab testing to ascertain wholesomeness and safety of a product if determination cannot be made by normal inspection/observation during the audit (food safety issues such as wholesomeness, foreign material, contamination or adulteration, etc.). 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 may 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. Miscellaneous item (others) will consist of approximately 13-20 items. Since the DLA TROOP SUPPORT Prime Vendor Product Quality Audit covers all Food Classes within the

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catalog (Meat, Poultry, Seafood, Processed Products, and other items, “Miscellaneous” as deemed appropriate), samples of “other” items may be selected to make-up the number of samples required for a commodity when the Contractor’s Catalog lists a limited number of items for one or more of the major commodities. A combined rating score will be assigned during the audit (e.g., Seafood/Other).

NOTE: Certification/Documentation - To avoid delays/questions during the audit, the Contractor should ensure that ALL products intended for DLA TROOP SUPPORT’s 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 Contractor 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.

5. 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, Processed Products, and other “Miscellaneous” items,) as the minimum standard for acceptable performance. The Contractor will be given a 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.

6. 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. The Contractor will also be responsible for reimbursement of USDA-AMS/USDC’s incurred expenses associated with inspection and travel cost.

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 Contractor’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 Contractor’s personnel, the previous day/evening to ensure thawing within a 24-hour period. Additionally, the DLA TROOP SUPPORT Lead Auditor may stop at the facility to review the thawing progress the evening before the audit.

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NOTES:

- (1) In addition to the cost of product and other expenses, the Contractor is also responsible for the reimbursement of USDA-AMS/USDC's Inspection costs, as well as travel costs, associated with a Follow-Up Audit/QSMV conducted as a result of the Contractor's failure of a prior Quality Audit or QSMV. Since there is no destructive sampling performed during a QSMV, there is no cost of product associated with a QSMV.
- (2) The estimated cost of a Follow-Up Audit includes the current USDA-AMS/USDC fee at the time of the audit/QSMV (FY20 fee - \$115.00 per hour); in CONUS, two (2) eight (8) hour days of temporary duty and one (1) or two (2) eight (8) hour day(s) of review/audit time. The total cost of review time is dependent upon the number of auditors/graders needed to perform the Follow-up Audit. For example, one (1) commodity failure will require two (2) USDA-AMS/USDC auditors, two (2) commodity failures will require three (3) USDA-AMS/USDC auditors, and three to four (3-4) commodities failures will require four (4) auditors. Follow-up QSMVs require two USDA-AMS Auditors, regardless of number of commodity failures. In CONUS, the maximum fee charges/cost for 4 days/8hr day is \$3,680 per auditor **plus** reimbursement for actual travel cost (transportation, lodging, per diem, rental car, miscellaneous expenses) as authorized by the Government Joint Travel Regulation. After the Follow-up Audit/QSMV, the Contracting Officer will request for reimbursement of USDA- AMS/USDC's inspection and travel costs associated with the Follow-up Audit/QSMV from the Contractor. Contractor will submit payment (check made payable to the US Department of Treasury) to the Contracting Officer within **45** Calendar days of request.

7. Audit Failures

As noted herein, audit failures and/or failure to take preventative and 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 and/or follow-up audits. Such action will not eliminate the Government's right to terminate the Prime Vendor contract should the deficiency or system which allowed the deficiency to occur remain uncorrected.

V. ORDERING and DELIVERIES & PERFORMANCE

1. START-UP / IMPLEMENTATION PERIOD

- A. A start-up/implementation period of up to 30 (30) days is allowed. An incumbent Contractor who receives the award may be afforded less time for start-up/implementation if it is mutually agreed upon by both parties.
- B. The new contractor's start-up/implementation period is defined as the timeframe which begins immediately after award and ends as the first order is placed. Within this timeframe the new contractor shall be fully operational to support all customers listed in this solicitation. The start-up/implementation period is the period in which the contractor shall, at a minimum: a) source and add the balance of the required catalog items at prices determined to be fair and reasonable by the contracting officers

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and provide supporting documentation such as invoices, specifications, and labels; (see more details on what supporting documentation must be submitted in the Addition of New Items to the Catalog section of the Statement of Work on page 156 b) complete its ability to fully execute all EDI transactions and interact with STORES; and c) fully populate its complete electronic catalog for customer support. The complete electronic catalog must be submitted via 832 transaction at least 14 days prior to the first order date. The Contractor shall submit a proposed implementation schedule to the Contracting Officer within ten (10) days after award highlighting the steps that will be taken to implement a fully functional distribution account, including all EDI transactions (and testing), for all customers covered by this solicitation. At a minimum, the following milestones for implementation will be met by the contractor.

Provide implementation plan: within five (5) days of contract award

Submit a complete 832 transaction: fifteen (15) days after contract award

Submit phase-out plan to Contracting Officer: fifteen (15) days after contract award

Ensure Access to all Bases: fifteen to twenty (15-20) days after contract award

Receive first order: up to thirty (30) days immediately after contract award

- C. During the start-up/implementation period, the incumbent Contractor will remain the principal source of food and non-food supplies. Notwithstanding other provisions of any resultant contract, performance failure during this period may result in termination for cause. In unusual or emergency circumstances, the new Contractor may consider procuring residual levels of inventory from the incumbent as an initial basis for creating a catalog of items. It is the Government's intent to have all orders placed under the new Contractor's contract when the incumbent contract expires.

During the start-up/implementation period, the incumbent Contractor is expected to maintain inventory at a level to ensure a 98.5% fill rate as required by the contract. Not-in-Stock (NIS) items should be limited.

During this start-up/implementation period, the Contractor shall submit a comprehensive phase-out plan to the PCO in accordance with the requirements set forth in this SOW. The services required in the phase-out plan will only be exercised in the event of a transition i.e. at contract end or termination. If the Contractor succeeds itself in a subsequent acquisition for the same or similar services, the phase out plan will not be utilized. The Contractor shall identify Points of Contact (PoCs) that have the experience, expertise, and authority to execute the plan.

- D. The Government reserves the right to coordinate a post award conference to be hosted by the awardee within the start-up/implementation period. The Contracting Officer, or designated representative, initiating the conference will designate, or act as, the chairperson.
- E. Many bases may require enrollment in either Rapid Gate or the Defense Biometric Identification System (DBIDS). (See Security Measures, Section VI. 3).

2. ORDER LEADTIMES

- A. Orders, other than Emergency Orders or orders for Special Order items, shall be

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delivered on a “skip day” basis (the 2nd day thereafter), at a minimum, e.g. Monday orders shall be delivered no later than Wednesday.

- B. Orders shall be submitted by the customer by 2:00 p.m. local time for skip-day deliveries.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

A. Routine lead times (in-port ships): Deliveries will be made with a 7-day turnaround (orders placed Monday will be delivered the following Monday.) The customer shall submit their orders by 2:00 p.m. local time for delivery the same day of the following week. Orders with less than a 7-day lead time up to and including same day delivery will be treated as either “emergency orders,” or the order will be filled, without the guarantee of receiving a fill rate of 98%.

- B. Other lead times for special circumstances for Navy Ships:

1. For in-port Navy Ships loading out for deployment, the order lead-time shall be 14 days, providing a fill rate of at least 98%.

2. For Visiting Navy Ships (i.e. Ships underway and ordering from other than their home port Contractor catalog) the order lead time shall be 21 days. In the event the visiting Navy Ship cannot provide a 21 day lead-time, the Visiting Ship(s) shall submit orders with the greatest lead-time possible.

C. Customers will receive a 98% fill rate regardless of the number and types of ships ordering consistent with the required lead time.

****END NAVY SHIPS LANGUAGE****

3. EMERGENCY/SAME DAY ORDERS

- A. The Contractor shall fulfill emergency orders, i.e. orders for same-day delivery, as needed. Upon receipt, the Contractor will confirm the validity of the order. 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 work and cell phone number.
- B. The time emergency orders must be placed for same-day delivery will be 10:00 a.m. local time. Emergency orders may be changed/cancelled no later than 12:00pm (noon) local time, the same day the emergency order was placed. The Contractor will take all actions to deliver the same day as required.
- C. A STORES order must be placed for all emergency orders to assure proper Contractor invoicing and payment. If STORES is inoperable, the order must be entered into STORES post-delivery.
- D. The Contractor shall be responsible for completing no more than two Emergency orders per customer, per month, without additional charge.
- E. In the event of a hurricane or other disaster, it may be necessary for the Government to pick up certain key disaster-relief products at the Contractor’s facility, including

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but not limited to bottled water, packaged ice, and commercial meal kits.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

A. The Contractor shall fulfill emergency orders, i.e. orders with less than a 7-day lead time up to and including same-day delivery, as needed. The Contractor is responsible for providing the ordering facilities with the name of the Contractor's representative responsible for notification of receipt and handling of such emergency service and his/her phone number and/or pager number.

B. All emergency order(s) for supplies must be same day service. Expedient fulfillment of the emergency requirement is imperative.

C. The Contractor shall provide two (2) emergency orders per month per individual DODAAC (ordering activity), at no additional charge to the government.

D. The Contractor may experience unscheduled arrival of ships, with only a few hours notice, as part of normal operations, where the order requirements could more than double from their normal usage on a given days notice (these will be considered emergency orders).

E. Emergency orders will not be counted against Fill Rate.

****END NAVY SHIPS LANGUAGE****

4. SPECIAL ORDER ITEMS and DELIVERY TERMS

- A. The Contractor is not required to maintain any item/LSN on the contract catalog that has an average usage rate of less than 20 cases (or lesser amount as proposed and awarded) per month. However, there are many items required by the customer that are not subject to this requirement, for example infrequently ordered and seasonal or holiday items. Additionally, certain items that are maintained on the contract catalog may require longer lead-time for the Contractor (e.g. 14-21 days). The Contracting Officer must approve longer order lead-times for such Special Order items (see paragraph F below). Special Order items are items that the Contractor is not required to maintain on its skip-day delivery catalog, but is required to supply as needed, and approved longer lead-time items.
- B. For items on the catalog that are specified as Special Order items, with a longer than skip-day order lead-time, customers shall submit separate STORES orders for such items. A separate STORES order is required because all items on a single STORES order shall have the same order lead-time and required delivery date.
- C. For items not maintained on the catalog, when required, the customer will submit ADD requests using the New Add item Request process in STORES, annotating "SPECIAL ORDER ITEM" on the request form. Once approved by the Contracting Officer, the Contractor shall immediately source the item. The Contractor shall be required to make deliveries of Special Order items, as required, no greater than 21 days (for existing suppliers) after approval by the Contracting Officer of the Contractor's add-item request, or no greater than 45 days from Contracting Officer approval when the item supplier is a new source for the Contractor, i.e. the Contractor does not have an existing Purchase Agreement in

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place with the new item supplier at the time of the Contracting Officer's approval to add the item.

NOTE: Prior to the Special Order request, the customer must obtain approvals from their Service HQ for all catalog item additions.

- D. After approval by the Contracting Officer to add the line-item/LSN to the contract catalog, the Contractor shall either; (1) acquire the item and add such item immediately to the catalog, at the approved price, designating the item as a Special Order item with the required, longer order lead- time, or (2) acquire the item and add the line item/LSN to its contract catalog, after receipt of such item, for availability for customer skip-day order.
- E. The Contractor shall be required to maintain a historical spreadsheet of all Special Order items, by LSN and item description and including date(s) added to the catalog, and price(s) that must be provided to the Contracting Officer and the Contract Specialist. This spreadsheet shall be available to all customers and the Government, and is intended to streamline the Special Order process for future, repetitive requirements. The Contractor may be required to implement an additional, separate electronic contract catalog exclusively for Special Order items.
- F. The Contractor may, upon approval from the Contracting Officer, designate certain items as Special Order items, i.e. items that will remain on the order catalog but require longer than skip-day order lead-time. These items shall be designated as "SO" in 832 field REF02 with the corresponding order lead-time in 832 field REF03.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

- G. The Contractor may add a reasonable (7-14 day) lead-time to stock numbered items that have an average monthly case movement of less than 20 cases over a six month period. However, there are many items required by the customer that do not meet this requirement, for example infrequently ordered and seasonal or holiday items. *NOTE: THERE IS THE POSSIBILITY OF INFREQUENT ORDERING BY VISITING SHIPS, CARGO, OR THE MILITARY SEALIFT COMMAND (MSC). Additionally, certain items that are maintained on the contract catalog may require longer lead-time for the Contractor (e.g. 14-21 days). The Contracting Officer must approve longer order lead-times for such Special Order items (see paragraph F). These items that the Contractor is not required to maintain on its seven day delivery catalog, but is required to supply as needed, and approved longer lead-time items, are Special Order items. * THESE CUSTOMERS (DoDAAC's) ARE NOT TO BE DELETED OR DEACTIVATED FROM THE CONTRACTOR'S SYSTEM UNLESS AUTHORIZED BY THE CONTRACTING OFFICER.
- H. For items on the catalog that are specified as Special Order items with a longer than 7 day order leadtime, customers shall submit separate STORES orders for such items, i.e. all items on a single STORES order shall have the same order lead-time and required delivery date.
- I. After approval by the Contracting Officer to add the line-item/LSN to the contract catalog, the Contractor shall either; (1) acquire the item and add such item immediately to the catalog, at the approved price, designating the item as a Special Order item with the required, longer order lead-time, or (2) acquire the item and add the line item/LSN to its contract catalog, after receipt

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of such item, for availability for customer seven day order.

- J. The Contractor may, upon approval from the Contracting Officer, designate certain items as Special Order items, i.e. items that will remain on the order catalog but require longer than 7 day order lead-time. These items shall be designated as "SO" in 832 field REF02 with the corresponding order lead-time in 832 field REF03.

****END NAVY SHIPS LANGUAGE****

5. ORDER CHANGE and CANCELLATION TIMES

- A. Skip-day purchase orders may be revised, i.e. the required quantity for a line-item(s) may be increased, reduced, or cancelled in its entirety (zero amount), by the customer (by telephone, or receipt-confirmed fax, or email) by 12:00pm (noon), Contractor local time, the day prior to delivery. The 12:00 pm (noon) cutoff time does not apply to new orders placed for product substitutions of items that were not-in-stock (see paragraph 7 below.)
- B. Orders may be cancelled at the customers' discretion (within the timeframe specified above) including but not limited to the following reasons:
1. Change in requirement
 2. Change in troop location
 3. Change in troop mission
 4. User error on original order
- C. Special Order Item purchase orders may be revised, i.e. the required quantity for a line-item(s) may be increased, reduced, or cancelled in its entirety (zero amount), by the customer (by telephone, or receipt-confirmed fax, or email) and received by the Contractor no later than 3 days (72 hours) after initial order placed
- D. For revisions/cancellations placed after the times specified above (i.e. late revisions/cancellations), the Contractor shall not ship/deliver such cancelled items or quantities and shall take all reasonable efforts to sell such residual product(s) to other customers and orders placed under this contract or via commercial sales. In the event that late cancellation of Regular/Special Order item(s), or failure to place a STORES order for a previously requested Regular order/Special Order item(s) results in expiration of shelf-life of such item(s) and a loss to the Contractor, the Contractor shall be entitled to payment for such product loss(es), provided that all of the following conditions occur:
1. The item(s) and quantity was purchased and receipted by the Contractor exclusively for the DLA TROOP SUPPORT ordering customer(s) in accordance with the DLA TROOP SUPPORT customer's written direction;
 2. The customer does not order or take delivery of the item or quantity as ordered or requested, and failed to timely revise/cancel the order/request notification in accordance with contract requirements,
 3. The Contractor immediately notifies the Contracting Officer of the customer activity(s) failure to order as requested (i.e. for items not previously on the ordering catalog, within 2 weeks of the item going on the catalog; and for

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- long lead-time items on the catalog, within 2-days of late cancellation),
4. The Contractor provides additional written notice to the Contracting Officer when the product has only 45 days or less of shelf-life remaining, to allow for emergency actions within the remaining shelf-life of the item, e.g. discounted commercial sales as authorized by the Contracting Officer, and
 5. The Contractor actually incurs the monetary loss and places a claim for such loss. The customer activity that failed to order or to take delivery of such Special Order item(s) as requested or ordered, will be liable for such product loss, and will be billed for any such loss.

6. SUBSISTENCE TOTAL ORDER AND RECEIPT ELECTRONIC SYSTEM (STORES)

- A. The Contractor shall be capable of receiving electronic orders via STORES. In conjunction with STORES, the Armed Forces use a food management program to run their dining facilities. In order to be compatible and to take full advantage of its integrated food management function, the current version of STORES includes elements supporting the program. Offerors must have working information technology (IT) systems which are capable of interfacing with STORES in order to be considered for award. Attachment 5 includes the EDI transaction sets information and specifics.
- B. Subsistence Total Order and Receipt Electronic System (STORES)
 1. STORES is the Government's 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 creating Electronic Data Interchange (EDI) orders. In addition, this information is passed to the DLA TROOP SUPPORT Enterprise Business System (EBS) for the purposes of Contractor payment and customer billing. The web link below provides additional EDI information.
 2. Customers will order all of their food and beverage requirements through STORES. Some customers will also be able to order non-food items through STORES. The system will transmit orders to the Contractor. It may be possible during the life of this contract that all customers will have the opportunity to order the non-food items from STORES.
 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: Vendor to DLA TROOP SUPPORT)
 - iii. 850 – Purchase Order
 - iv. 997 – Functional Acknowledgment
 - v. A complete description of these transaction sets is included in the "STORES EDI Requirements" located at:

http://www.dla.mil/Portals/104/Documents/TroopSupport/Subsistence/STORES_and_EDI_Requirements.pdf or see Attachment 5 – Stores EDI.
 4. The Contractor shall have access to the Internet and be able to send and receive

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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. Standard rounding methods must be applied.
6. The Contractor shall utilize the Government's standard item descriptions and unit package/pack sizes for each catalog LSN in the Electronic Catalog (832 transmission). This data **MUSTNOT** be modified for any LSN.

NOTE: Contractors are highly encouraged to adopt Global Standards One (GS1) . The adoption of GS1 Standards in the Foodservice Industry will greatly improve efficiency, product information, and food safety. The GS1 Standards begin with GS1 identification numbers, for products, using GS1 Global Trade Item Numbers (GTINs). GTINs uniquely distinguish all products (trade items), and logistic units across the supply chain from manufacturer to consumer. GTINs provide the link between the item and databases containing detailed information pertaining to that item. If your trading partners currently use GTINs, please reference the STORES EDI Implementation Guide attachment (ATTACHMENT 5 – Stores EDI) for segment and element instructions.

For more information regarding GS1 and GTINs, please visit the GS1 US website: www.gs1us.org/foodservice or contact:

Julie McGill, Industry Relations Director, Foodservice, GS1, US, T +1 312.463.4032, Ejmcgill@gs1us.org or Dennis Harrison, Senior Vice President, GS1 US, T +1 609.620.4522, Edharrison@gs1us.org.

C. STORES Ordering Process

1. All customers are required to electronically submit every order through the Government's STORES system.
2. If the STORES system is down, the Contractor shall accept the order via fax, email, or phone, and the Contractor shall deliver in accordance with the order required delivery date. In order to assure customer inventory receipting, and prompt Contractor payment and customer billing, the order must still be inputted by the customer into STORES as soon as possible. **The Contractor shall receive the STORES order and Purchase Order (PO) number before invoicing.** The STORES order generates the Purchase Order numbers and the funding commitment in our financial system. A Purchase Order number is one of the contractually required fields of your invoice, and **if your invoice does not have a Purchase Order number, it will not get paid. If the Contractor does not timely receive a STORES order for prior fax, email, or phone orders, immediately contact your Contracting Officer, Acquisition Specialist, or Account Manager.**
3. There will be no line-item (LSN) additions or substitutions to existing

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STORES orders. Requirements for additional LSNs to prior/existing orders shall be ordered by customers via STORES as a new and separate STORES order.

4. **Authorized Telephonic, Fax, Email Changes to existing STORES Orders:** Customers may only revise the required quantities for the LSNs on an existing STORES PO, i.e. customers may require the Contractor to reduce the quantity for, increase the quantity for, or cancel in its entirety (zero quantity), any line-item(s) on an existing STORES order, in accordance with Subsection 5 above. ORDER CHANGE and CANCELLATION TIMES. **In this event, the Contractor shall clearly annotate the quantity adjustment on the delivery ticket/invoice, and the customer shall receipt the correct delivered quantity.**

7. NOT-IN-STOCK (NIS) NOTIFICATION & ORDERS FOR SUBSTITUTIONS

- A. A separate STORES order must be placed by the customer for all substitution/replacement items. This order must be placed by 3:00 pm local Contractor time on the day prior to the required delivery date.
- B. All orders will be treated on a fill-or-kill basis; there can be no substituting of items. Specifically, a purchase order line item quantity will either be filled (whether in whole or in part) or, if the item is not in stock, it will be reported as a zero fill on the Contractor's invoice. If an item is not available, partially or in whole, the Contractor shall notify the customer as soon as the non-availability is known but no later than 24 hours prior to the required delivery date/time. Along with this notification, the Contractor shall also provide notification to the customer if there is an item on the existing STORES catalog that may serve as a replacement for the non-available item. If the customer agrees, then the customer will place a separate order for that line item. The replacement item will be delivered along with the rest of the purchase order however it will be invoiced separately, including a separate purchase order number, CLIN, etc. The Contractor must show the original item as a zero quantity fill on their first invoice, and the replacement item on the second invoice. The replacement item will be priced at its own catalog price. Invoices must have all the correct information (contract number, purchase order number, CLIN, quantity, price, etc.) in order to be paid. The Contract Specialist/Account Manager shall be copied on the required notification.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

- A. The Contractor shall put a hold on stock upon receipt of Navy customer order, when proper order lead time is provided, i.e, 7 days, 14 days or 21 days. The Contractor shall advise the customer by 12 noon on the day after the order is placed of the hold or non-availability of an item. At this time, if it appears that the Contractor does not expect a stock replenishment (in sufficient time to fulfill the requirement), the Contractor will source a NAVSUP approved suitable replacement. NAVSUP will make the final decision on the acceptability of any replacements.
- B. The Contractor may charge a "restocking price" for canceled orders resulting from unforeseen circumstances such as pier closures, ceremonies, or weapons load outs.

**** END NAVY SHIPS LANGUAGE****

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8. VARIATION IN QUANTITY for NON-CATCH-WEIGHT ITEMS

- A. Catch-weight items are items for which a weight range per purchase case is acceptable; normally meat items purchased by the pound, e.g. 8905-01-E29-2117, Beef Flank Steak, 11-15 LB.
- B. Non-catch weight items are all other items, which must meet the exact case weight or units per purchase pack.
- C. There shall be zero variation in quantity for non-catch-weight items, i.e. the Government shall not be obligated to accept and purchase any quantities of any item delivered in excess of the exact order quantity.

9. DELIVERY DESTINATIONS AND INSTRUCTIONS

- A. Deliveries shall be F.O.B. destination to all ordering activities and delivery points. All items will 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 CONUS customer's location. No pallet exchange programs will be available for the customers listed in this solicitation. Deliveries shall be scheduled according to the customer's timetable as listed below. However, the delivery schedules listed below are subject to change based on customer needs and such changes will be made at no expense to the Government and will not require a contract modification.
- B. Installation delivery routes and stop-off sequence will be coordinated and verified with the installations on a post award basis by the awardee.
- C. 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 delivery tickets/ 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.
- D. Specific delivery point information is provided below. Some installations have more than one delivery point. Pertinent information has been included to explain specific customer delivery requirements, point of contact and instructions.
- E. 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.
- F. The Contractor shall also ensure that the personnel loading and delivering the product provide prompt and efficient service to the customer.

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CUSTOMERS/DELIVERY POINTS: DELIVERIES/REMARKS

This is a list of all of the customers serviced under this solicitation. See Attachment 8 - Customer Delivery Schedule for a complete listing of all customers supported under this solicitation and their delivery addresses. Refer to page 88 for a list of the customers that have placed orders in the last 12 months and their estimated sales usage.

Arizona

1.) Department of Homeland Security AZ

INS / Florence Detention Center
3250 North Pinal Parkway Ave
Florence, AZ 85232
POC: Dave Peters
(520) 840-2510

deliveries 4 days per week, Monday through Thursday
7:00 AM – 11:00 AM

2.) Fred G. Acosta Job Corps Center

901 South Campbell Ave.
Tucson, AZ 85710
POC: Debbie Goll
(520) 295-6077

deliveries 4 days per week, Monday through Thursday
8:00 AM – 12:00 PM
no loading dock

3.) Phoenix Air National Guard

161 ARW Services of Phoenix
3200 East Old Tower RD
Bldg #10
Phoenix, AZ 85034
POC: SGT Karl Schaller
(602) 302-9005

delivery once per month, preferably Wednesday
alternate delivery on Thursday
6:30 AM – 9:30 AM

4.) Tucson Air National Guard

162 FW/SVF
6620 S. Air Guard Way
Tucson, AZ 85034
Bldg #6620

delivery is once per month on the Wednesday prior to the first weekend of the month
6:00AM – 11:00 AM

POC: SMGT Michael Soich
(520) 295-6077

5.) Luke AFB Ray Hensman Dining

14032 W. Mustang
Bldg #14032
14032 W. Mustang
Luke AFB, AZ 85309

deliveries 5 days per week, Mon/Wed/Friday
7:00 AM – 10:00 AM
loading dock provided

POC: SSGT Timothy Mattson
(623) 856-7079

6.) Luke AFB Falcon Inn Dining

deliveries 5 days per week, Mon/Wed/Friday

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14442 W. Shooting Star
Bldg #14442
Luke AFB, AZ 85309

POC: SSGT Gene Lucero
(623) 856-6420

7:00 AM – 10:00 AM
no loading dock
security considerations: Base Pass required
must process thru Luke AFB

7.) Davis Monthan AFB Desert Inn
3665 S. Fifth St.
Bldg #4100
Davis Monthan AFB 85707
POC: SSGT Anthony Usher
(520) 288-4282

deliveries 5 days per week, Monday through Friday
8:00 AM – 12:00 PM
loading dock provided

8.) Ft. Huachuca TISA/ Thunderbird Dining
Building #52107
Laguardia St.
Ft. Huachuca, AZ 85613
Veterinary inspection: Delivery Point
POC: Milton Moore
(520)0533-3755

deliveries 3 days per week, Monday/Wed/Friday
alternate days: Tuesday & Thursday
7:00 AM – 10:00 AM

Processing Point for completed invoices: Troop Issue Bldg.
30118, Clarkson St.

9.) Ft. Huachuca / Weinstein Dining Facility
Building #85202
Hunt St.
Ft. Huachuca, AZ 856130
Veterinary inspection: Delivery Point
POC:

deliveries 3 days per week, Monday/Wed/Friday
alternate days: Tuesday & Thursday
7:00 AM – 10:00 AM

Processing Point for completed invoices: Troop Issue Bldg.
30118, Clarkson St.

10.) Arizona Army National Guard
855TH MP CO
10222 N. 7th St.
Phoenix, AZ 85020
POC: Cleotis Hamm
(623) 521-8518

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

11.) 855TH MP CO
10222 North 7th Street
Phoenix, AZ 85020
POC: SGT Nicky Wells (Irma)
(602) 267-2850

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

12.) 856TH MP CO
1001Hale Drive
Bellemont, AZ 860156
POC: Donald Green
(928)773-3127

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

13.) 860TH MP CO

delivery one day per week, Friday

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5500 E Valencia RD
Tucson, AZ 86015
POC: SGT Daniel Ventura
(480) 310-5260

8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

14.) E CO 29TH BSB FSC
651 North Center Street
Phoenix, AZ 85201
POC: SSGT Shawn Hammer
(623) 694-0572

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

15.) 2220TH Trans CO REAR
5500 Valencia Road
Building #P4420
Tucson, AZ 85706
POC: Sgt John Clark
(520) 750-5835

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

16.) A CO 422nd SC
320 E. Cottonwood Lane
Casa Grande, AZ 85222
POC: SGT Christine McDonald
(602) 267-2156

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

17.) HHC, 158TH CSSB
1750 Silverlake Road
Tucson, AZ 85713

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

POC: SFC Molina
(520) 750-5825

18.) 3666TH Maintenance Co
1335 N. 52nd Street
Building #701
Phoenix, AZ 85008
POC: SSG Powell
(602) 267-2397

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

19.) FSC 253RD Engine BN
205285 N. Hwy 79
Building L-5249
Florence, AZ 85232
POC: SGT Eric Devine
(602) 690-5938

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

20.) 1404TH Transportation Co
1 Hughes Ave
Building #15
Bellmont, AZ 86015
POC: SSG Saucedo

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

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(602) 267-2023

21.) 222nd Trans Co
1335 N. 52nd Street
Building #M5701
Phoenix, AZ 85008
POC: Mitchell Price
(602) 741-8048

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

22.) 0285 AV BN 02 CO E Rear
5425 E. McDowell Road
Phoenix, AZ 85008

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

23.) CO E 1/285TH AVN (BN)
24641 E. Pinal Air Park Rd
Marana, AZ 85653
POC: SGT Robert Brashier
(520) 237-7635

delivery one day per week, Friday
8:00 AM – 3:00 PM
Emergency Alternate Day: Thursday

24.) 0158 MED HQ AUG CARRIER
5425 E. McDowell Rd.
Phoenix, AZ 85008
POC: MSG Hamm (Temp)
(623)521-8518

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

25.) CO E 1/285TH AVN (BN)
24641 E PINAL AIR PARK RD
Building # L4100
Marana, AZ 85653
POC: Sgt Robert Brashier
(520) 237-7635

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

26.) 996 MD CO AREA SPT
1000 E University Drive
Tempe, AZ 85281
POC: Sgt Paul Smallbrock
(602) 267-2202

delivery one day per month, Thursday or Friday
8:00 AM – 3:00 PM

10. ADDITION OF CUSTOMERS

A. Adding customers within the contract geographic distribution region:

1. Additional DoD and non-DoD federal government customers that request DLA TROOP SUPPORT foodservice support will be added on to the contract resulting from this solicitation, without any new acquisition or competition process, if the customer(s) is within the geographic distribution region covered by this contract.
2. In this case, the Contractor shall include the customer(s) at the effective

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contract prices applicable to that distribution region.

3. The decision as to whether a potentially new customer is within the contract region and, thus, will be added to the contract without further competition and at the existing contract prices, shall be within the sole discretion of the DLA TROOP SUPPORT Contracting Officer.
- B. Under no circumstances may the resulting contract's maximum dollar value be exceeded as a result of additional requirements of any new customer(s).

11. HOLIDAYS

- A. All orders are to be delivered on the specified delivery date, except for Federal holidays, as outlined below. When a scheduled delivery day falls on one of these days, or one designated by your firm, delivery should occur on the next business day, unless otherwise agreed to by the customer,

New Year's Day
Martin Luther
King's Birthday
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

Note: DLA Troop Support Saturday holidays are celebrated the preceding Friday; Sunday holidays are celebrated on the following Monday.

- B. Holidays celebrated by your firm, other than those specified above, must be listed below. Also specify your policy for celebrating holidays that fall on the weekend.

During the weeks of Thanksgiving, Christmas, and New Year's Day the contracting officer will require that prices be held for the following week.

12. AUTHORIZED RETURNS

- A. The Contractor shall accept returns under the following conditions:
 1. Products shipped in error;
 2. Products damaged in shipment;
 3. Products with concealed or latent damage;
 4. Products that are recalled;
 5. Products that do not meet shelf life requirements;
 6. Products that do not meet the minimum quality requirements as defined for the items listed in the Schedule;
 7. Products delivered in unsanitary delivery vehicles;

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8. Products delivered that fail to meet the minimum/maximum specified temperature;
9. Quantity excess as a result of order input error/and or purchase ratio factor error; and
10. Any other condition not specified above that is determined a valid reason for return by the Contracting Officer

13. SHORT SHIPMENTS AND SHIPPING ERRORS

- A. The authorized Government receiving official will annotate short shipment(s) on the delivery ticket/invoice(s) that accompany the delivery. The Contractor's representative, i.e., the truck driver, will acknowledge and counter-sign the delivery ticket/invoice.
- B. Any product delivered in error by the Contractor must be picked up no later than the next delivery day after notification by the ordering facility.

14. WAREHOUSE/TRANSPORTATION

The offeror must possess a fully functional and operating commercial food distribution warehouse (including distinct temperature-controlled sections for dry, chill and frozen products, and docks for receiving/shipping product) of sufficient size and sufficient open capacity to satisfactorily perform on this contract. The offeror must also have the ability to pick ordered product, stage and wrap in pallets for shipping and transport product in temperature-controlled, temperature recording trucks directly to all the customers listed in the delivery schedule on an ongoing basis fulfilling skip-day schedule as described herein. The delivery schedule for visiting ships is seven (7) days for routine in-port ships, fourteen (14) days for in-port ship load outs, and twenty-one (21) days for visiting ships.. Attachment 2 – CATALOG OF ITEMS FOR SPE300-20-R-X009 contains the current line items/SKUs that are being used by the customers. An offeror must have the ability to fulfill all the customers' food supply requirements on a long-term, just-in-time basis in terms of both warehouse and transportations capabilities.

15. FEMA Order Tracking

1.
 - a) In order to facilitate tracking of shipments for Federal Emergency Management Agency (FEMA) orders, the following information is required within 3 hours of material shipment:
commercial bill of lading (CBL), delivery order (DO) number, trailer number, trailer license plate number, trailer license plate state, seal number, origin facility, destination facility, estimated delivery date/time, actual shipped date/time, comments. See Attachment 7-FEMA Notification Spreadsheet for a sample. .
 - b) For orders shipped directly to destination by the Prime Vendor, the information shall be emailed to FEMA-TRACC-HQFEMA-TRACC-HQ@fema.dhs.gov with a copy to the contracting officer and contract specialist.

Kaitlin.Overstreet@associates.fema.dhs.gov
Kathleen.Bareswilt@associates.fema.dhs.gov

and

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c) For orders shipped using trailers provided by DLA Distribution, the information shall be emailed to the DLA Distribution Vendor Shipment Module (VSM) office at delivery@dla.mil

VI. ADDITIONAL PERFORMANCE REQUIREMENTS

1. PERSONNEL:

At a minimum, the Contractor will have ample personnel to accomplish the performance required under the resultant contract. Resource(s) shall be dedicated to ensure customer satisfaction through daily communication with military or non-DoD customers and/or with DLA Troop Support personnel. Resource(s) shall be dedicated to review and receive orders and notify customers of any Not-In-Stock (NIS) and/or substitutions on a daily basis. Resource(s) shall be dedicated to submit invoices in a timely manner and to reconcile any discrepancies with the invoice in the STORES RECON tool. Resource(s) shall be dedicated to the Quality Assurance function identified in this Statement of Work. Resource(s) shall be dedicated to maintaining and submitting required Management Reports. Other resource(s) as required. It is DLA Troop Support experience that more than one (1) dedicated customer service/account manager is necessary to ensure performance required under the resultant contract.

2. FOOD DEFENSE

A. The DLA Troop Support Subsistence Directorate provides world-wide 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 ensure 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/FoodDefense/.

B. The Contractor must maintain a valid Food Defense Plan that describes what procedures are in place to prevent product tampering and contamination, and assure overall plant security and food safety during the performance period of this contract.

This Plan must be submitted to the Contracting Officer with initial proposal to be reviewed for acceptability.

C. The Contractor/Vendor must take all practicable measures that are within its control to deter or prevent tampering or contamination of supplies provided for under this contract solicitation. The Contractor/Vendor must immediately inform DLA TROOP SUPPORT Subsistence of any attempt or suspected attempt by any party or parties, known or unknown, to tamper with or contaminate subsistence supplies.

D. Any anticipated change(s) to the accepted Food Defense Plan will be submitted to

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the Contracting Officer within ten (10) working days after the supplier becomes aware of such change(s) to ensure compliance with the DLA Troop Support Food Defense Checklist. (NOTE: to download a copy of the DLA Troop Support Food Defense Checklist go to www.dla.mil/Portals/104/Documents/TroopSupport/Subsistence/FoodSafety/FoodQuality/food_defense_check.pdf)

The Contracting Officer may conduct ongoing verifications of the Prime Vendors security and food defense system throughout the life of the contract. Failure to maintain an acceptable food defense plan may be considered a breach of contract. DLA Troop Support will 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 firm's Food Defense Plan.

3. SECURITY MEASURES

A. The following security guidance is also provided:

1. 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.
2. Specific Military installations may require trucks to be sealed after each delivery stop. If this is or becomes a requirement, the Contractor shall be responsible for providing the seals and the following procedures shall apply:
 - a. Never leave open trucks unattended, and use bolt-seals when possible to designate loaded trailers.
 - b. Serial coded security seals shall be properly placed on all delivery vehicles and registered/logged in per delivery.
 - c. When split/consolidated deliveries are authorized, the delivery vehicles are required to be sealed after each delivery point with a serial number coded seal.
 - d. 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.
 - e. Under no conditions will drivers re-seal delivery vehicle or complete the associated paperwork.
 - f. Split/consolidated deliveries made in conditions other than those cited above are subject to be rejected by the customer.
3. The Contractor will ensure that employee background checks are up to date.
4. Ensure drivers have communication devices available in the event of an emergency and establish emergency phone numbers for them to use.
5. Firms should keep customer routes, etc. on a need to know basis.

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6. Review of overall organizational corporate security plans should be conducted 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.

B. RapidGate/Defense Biometric Identification System (DBIDS)

Many bases and/or ships may require enrollment in either RapidGate or the Defense Biometric Identification System (DBIDS). Both RapidGate and DBIDS manages access to Department of Defense (DoD) installations and will not allow entry without clearance. During the contract start-up/implementation period, the Contractor must contact all customer locations to determine whether enrollment in DBIDS, RapidGate, or another security program is required for access to each location. If DBIDS, 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 clearance may result in a vendor being turned away from the base and being unable to complete delivery. The Contractor is responsible for any costs associated with DBIDS or RapidGate enrollment and must ensure that a DBIDS or 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, DBIDS or 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 DBIDS or RapidGate is encountered during the start- up/implementation period, the Contractor MUST contact DBID, RapidGate, and/or the Security Officer at the applicable customer locations to resolve any issues with processing DBIDS or RapidGate enrollment so that the Contractor will be able to deliver as required. For additional information regarding DBIDS and RapidGate, including enrollment instructions, please visit their websites at www.dbids.dmdc.mil/DBIDS and www.rapidgate.com.

Please note that DBIDS and 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.

C. Force Protection Conditions (FPCON)

The Contractor must be aware of the Department of Defense System and cooperate with all security measures that could be enacted by a specific installation. The Contractor must plan accordingly to ensure all deliveries are made with little or no interruption, assuming the base is accepting deliveries, when higher FPCON levels are enacted. (See Attachment 3 – FPCON for more details.)

D. Information Protection

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The Contractor shall maintain, transmit, retain in strictest confidence, and prevent the unauthorized duplication, use and disclosure of information. The Contractor shall prevent unauthorized release of sensitive information, including, 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.

The Contractor shall provide information only to those employees of the Contractor 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 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 Contracting Officer.

4. SURGE AND SUSTAINMENT (S&S)/CONTINGENCY PLAN REQUIREMENTS

This solicitation includes items that are critical to support the Department of Defense's ability to conduct contingency operations. These items are designated as the S&S requirements, including the Services' go-to-war requirements. S&S requirements are reflected in the contract maximum percentage in this solicitation, and encompass any possible addition to peacetime quantities. The objective of this requirement is to obtain contractual coverage to meet the S&S quantities and sustainable accelerated delivery specified in this solicitation. S&S coverage includes access to production capability as well as vendor owned or managed inventory/safety stocks. Offerors will be evaluated on their ability to meet the terms and conditions of the S&S requirements. S&S/Contingency requirements are defined as follows:

(A) Surge and sustainment capability means the ability of the supplier to meet the increased quantity and/or accelerated delivery requirements, within first 30 days, using production and/or supplier base capabilities, in support of Department of Defense (DOD) contingencies and/or emergency peacetime requirements. This capability includes both the ability to ramp-up to meet early delivery or increased requirements (i.e., Surge), as well as to sustain an increased production and delivery pace throughout the contingency (i.e., Sustainment). The spectrum of possible contingencies ranges from major theater wars to smaller-scale military operations (i.e., Contingency). This capability also includes the estimated time needed to recover facility (ies) if damaged or otherwise not able to conduct normal operations.

NOTE: The S&S Capability Assessment Plan (CAP) and the Contingency Plan must be submitted to the Contracting Officer as a separate document with the initial proposal submission and will be invoked, as necessary. Offerors' S&S CAP must be approved by the Contracting Officer prior to award.

(B) S&S quantity and accelerated delivery schedule are identified on an individual item basis, based on the Services' wartime planning requirements. The S&S quantity and delivery requirements are above and beyond the peacetime requirements in the schedule of supplies.

(C) S&S Capability Assessment Plan (CAP) (previously known as the "surge plan"). The CAP provides the offeror's method of covering the S&S quantity and delivery requirements, identification of competing priorities for the same resources, and date the Contractor can provide the required S&S capability. If any of the S&S quantity and delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed investment strategy to offset the shortfall. For example, the CAP may include, but is not limited to, one of the following scenarios to address wartime delivery requirements:

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(1) The S&S quantity and delivery requirements can be fully covered within the supplier's resources.

(2) The S&S delivery schedule can be fully covered with early deliveries due to unit pack shipping.

(3) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and the supplier has no cost-effective investment strategy that would improve the capability to deliver according to the quantity and delivery requirements.

(4) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and includes an investment strategy that would improve the supplier's capability to deliver up to the maximum percentage stated in this contract.

(5) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a fraction of the total quantities specified); however, the supplier has no cost effective investment strategy that would improve the capability to deliver up to the maximum percentage stated in this contract.

(6) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a portion of the maximum percentage stated in this contract), and includes an investment strategy that would improve the supplier's capability to deliver up to the maximum percentage stated in this contract.

(D) Agreement to participate in S&S validation/testing. By submission of an offer, the supplier agrees to participate in S&S validation/testing as required by the Government to verify the stated S&S capability. Testing/Validation may include any methodology that can validate the supplier's S&S capability. Validations will be conducted on randomly selected items by the Industrial Specialist after contract award and throughout the contract period. Validations include, but are not limited to, verification that the supplier and any subcontractor(s) have sufficient equipment, facilities, personnel, stock, pre-positioned raw material, production capabilities, visibility of supplier base resources and agreements, networks and plans for distribution (receiving, storing, packaging and issuing) and transportation services to accommodate the S&S requirements in the contract. This validation includes examination of any in-house work, review of the stock rotation plan (if applicable), and other contracts that impact the production of any added or accelerated quantities. The Government reserves the right to require validation using other methodologies when deemed appropriate. The language in this clause does not limit the Government's right, at any time after award, to perform inspections or validate the supplier's S&S capability.

(E) Supplier notification of S&S capability changes. The supplier agrees to maintain S&S capability to produce and/or deliver the S&S quantity identified in the catalog of items in accordance with the approved CAP and S&S terms and conditions throughout the life of the contract. Changes that negatively impact S&S capability must be reported in writing to the Contracting Officer within ten (10) working days after the supplier becomes aware of such an impact. Such notification must include a revised S&S CAP with the supplier's proposed corrective action(s) and date when the supplier can attain the required S&S capability.

(F) Government changes, additions and deletions to S&S requirements. The identification of new S&S items in the peacetime schedule or increases in quantities of items already in the S&S schedule will be done through bilateral contract modifications. Deletion of S&S requirements or decreases in quantities will be made by the Government through unilateral contract modifications. The

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Government reserves the right to obtain S&S requirements from other sources without liability to the supplier. This language does not relieve the supplier of the responsibility to provide, in accordance with the applicable delivery schedule, non-S&S and S&S quantities agreed to in the Schedule and CAP during the contingency.

(G) Early or unexpected S&S requirements. The supplier shall support S&S requirements to the maximum extent practical (1) prior to the supplier achieving full S&S capability agreed to in the Schedule and the CAP, and (2) for requirements exceeding those agreed upon in the Schedule and the CAP, if agreed to by the Contractor and not exceeding any applicable contract maximum dollar value or quantity. The Government reserves the right to obtain S&S requirements from other sources without liability to the supplier.

**** THIS LANGUAGE APPLIES TO NAVY SHIPS CUSTOMERS ONLY****

****APPLICABLE IF DELIVERY WILL BE TO A NAVY SHIPS CUSTOMER****

The Navy deploys Carrier or Expeditionary Strike Groups. A Carrier Strike Group will consist of one aircraft carrier, one fast combat support ship (AOE), and three surface combatants, plus one submarine. Expeditionary Strike Groups will consist of one amphibious assault ship (LHA/LHD), two smaller 'L' class amphibious ships, and three Surface Combatants, plus one submarine. The following definitions apply:

Surge: The capability to deliver a large increase in order size for multiple units within 96 hours of order receipt and achieve a 98% order fill rate.

Mobilization: During a national emergency/full-scale mobilization, deliver up to 45 days of provisions endurance to all ships in the vendor's region within 30 days of order receipt and achieve a 98% order fill rate. A surge condition could evolve into full scale mobilization or national emergency where-in consumption could easily increase at any site for a protracted period of time. This solicitation includes items that are critical to support the Department of Defense's ability to conduct contingency operations. These items are designated as the S&S requirements, including the Services' go-to-war requirements. S&S requirements are identified as "Surge Quantity Option"

expressed in a percent or exact quantity in this solicitation, and are in addition to peacetime quantities. The objective of this requirement is to obtain contractual coverage to meet the S&S quantities and sustainable accelerated delivery specified in this solicitation. S&S coverage includes access to production capability as well as vendor owned or managed inventory/safety stocks. Offerors will be evaluated on their ability to meet the terms and conditions of the S&S requirements. S&S requirements are defined as follows:

(a) Surge and sustainment capability means the ability of the supplier to meet the increased quantity and/or accelerated delivery requirements, using production and/or supplier base capabilities, in support of Department of Defense (DOD) contingencies and/or emergency peacetime requirements. This capability includes both the ability to ramp-up to meet early delivery or increased requirements (i.e., Surge), as well as to sustain an increased production and delivery pace throughout the contingency (i.e., Sustainment). The spectrum of possible contingencies ranges from major theater wars to smaller-scale military operations.

(b) S&S quantity and accelerated delivery schedule are identified on an individual item basis, based on the Services wartime planning requirements. The surge quantity option is expressed as a percent or an exact number with a sustainable accelerated delivery. The S&S quantity and delivery requirements are above and beyond the peacetime requirements in the schedule of supplies.

(c) S&S Capability Assessment Plan (CAP) (previously known as the "surge plan"). The CAP provides the offeror's method of covering the S&S quantity and delivery

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requirements, identification of competing priorities for the same resources, and date the Contractor can provide the required S&S capability. If any of the S&S quantity and delivery requirements cannot be met, the offeror must identify the shortfall and provide the best value solutions to include a proposed investment strategy to offset the shortfall. For example, the CAP may include, but is not limited to, one of the following scenarios to address wartime delivery requirements:

- (1) The S&S quantity and delivery requirements can be fully covered within the supplier's resources.
- (2) The S&S delivery schedule can be fully covered with early deliveries due to unit pack shipping.
- (3) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and the supplier has no cost-effective investment strategy that would improve the capability to deliver according to the quantity and delivery requirements.
- (4) The total S&S quantity and delivery requirements can be met but at a different delivery rate, and includes an investment strategy that would improve the supplier's capability to deliver according to the surge quantity option (e.g., the surge quantity option calls for 50% of estimated annual demand quantity or an exact quantity of 20 boxes) every 10 days, and the vendor can meet the schedule starting in the third ordering period but needs Government investment to become capable of meeting deliveries in the first two months).
- (5) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a fraction of the total quantities specified); however, the supplier has no cost-effective investment strategy that would improve the capability to deliver at the surge quantity option.

(6) The S&S quantity and delivery requirements can be partially covered (the supplier can only provide a portion of the surge quantity option specified), and includes an investment strategy that would improve the supplier's capability to deliver at the surge quantity option.

(d) Government Investments. Use of Government investment may be considered to address S&S coverage shortfalls as specified under (c)(3) to (6) above only when it is in the Government's best interest. Use of Government investment is limited per clause 52.217-9010. Contracting Officer (CO) approval is required for any Government investment requests and any investment costs incurred by the supplier without the explicit written approval of the Contracting Officer are the sole responsibility of the supplier.

(e) Agreement to participate in S&S validation/testing. By submission of an offer, the supplier agrees to participate in S&S validation/testing as required by the Government to verify the stated S&S capability. Testing/Validation may include any methodology that can validate the supplier's S&S capability. Validations will be conducted on randomly selected items by the Industrial Specialist after contract award and throughout the contract period. Validations include, but are not limited to, verification that the supplier and any subcontractor(s) have sufficient equipment, facilities, personnel, stock, pre-positioned raw material, production capabilities, visibility of supplier base resources and agreements, networks and plans for distribution (receiving, storing, packaging and issuing) and transportation services to accommodate the S&S requirements in the contract. This validation includes examination of any in-house work, review of the stock rotation plan (if applicable), and other contracts that impact the production of any added or accelerated quantities. The Government reserves the right to require validation using other methodologies when deemed appropriate. The language in this clause does not limit the Government's right, at any time after award, to perform inspections or validate the supplier's S&S capability.

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(f) Supplier notification of S&S capability changes. supplier agrees to maintain S&S capability to produce and/or deliver the S&S quantity identified in the Schedule of supplies in accordance with the approved CAP and S&S terms and conditions throughout the life of the contract. Changes that negatively impact S&S capability must be reported in writing to the Contracting Officer within ten (10) working days after the supplier becomes aware of such an impact. Such notification must include a revised S&S CAP with the supplier's proposed corrective action(s) and date when the supplier can attain the required S&S capability. Refer to DLAD 17.9304(a) C06 Surge and Sustainment (S&S) Requirements (FEB 2017) or instructions on submitting changes to the CAP.

(g) Government changes, additions and deletions to S&S requirements. The identification of new S&S items in the peacetime schedule or increases in quantities of items already in the S&S schedule will be done through bilateral contract modifications. Deletion of S&S requirements or decreases in quantities will be made by the Government through unilateral contract modifications. The government reserves the right to obtain S&S requirements from other sources without liability to the supplier. This language does not relieve the supplier of the responsibility to provide, in accordance with the applicable delivery schedule, non-S&S and S&S quantities agreed to in the Schedule and CAP during the contingency.

(h) Early or unexpected S&S requirements. The supplier shall support S&S requirements to the maximum extent practical (1) prior to the supplier achieving full S&S capability agreed to in the Schedule and the CAP, and (2) for requirements exceeding those agreed upon in the Schedule and the CAP, if agreed to by the Contractor and not exceeding any applicable contract maximum dollar value or quantity. The Government reserves the right to obtain S&S requirements from other sources without liability to the supplier.

****END NAVY SHIPS LANGUAGE****

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

(1) Definitions.

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

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

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

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

(4) If requested by the Government, the contractor must be prepared to provide a plan to participate in S&S

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

5. SMALL BUSINESS EFFORT

- A. The Contractor must achieve Small Business goals identified in proposal and accepted by the Government during the performance period of this contract.

At a minimum, the Contractor will obtain at least 32% of the supplies for proposed contract from all Small Business (SB) firms (vs. Large Business firms). Within the subcategories, the Contractor will obtain the minimum percentage for the following goals: 5% from SDB; 5% from WOSB; 3% from SDVOSB firms, and 3% from HZSB firms. Per the DoD Office of Small Business Programs Goals for FY19 refer to:

<https://business.defense.gov/About/Goals-and-Performance/>

- B. The Contractor shall ensure that SB, SDB, WOSB, SDVOSB, and HZSB concerns will have an equitable opportunity to compete for subcontracts or as product suppliers on this acquisition as identified in its proposal and accepted by the Government during the performance of this contract.

This Plan must be submitted to the Contracting Officer with initial proposal. (See Other Submission Requirements.)

VII. CONTRACT ADMINISTRATION DATA

1. ADMINISTRATION AUTHORITY

- A. The DLA TROOP SUPPORT Prime Vendor Supplier Operations Office will perform administration of the contract. 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.
- B. A Government designated representative at the ordering activity will perform administration of the individual delivery order. This includes approving product substitutions and delivery changes.

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- C. In the event the vendor 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.
- D. 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.

2. CATALOG CHANGES

- A. The market basket of items, along with their respective prices as determined fair and reasonable during the acquisition process, will become the basis of the catalog. It should be noted that this Market Basket represents a minimum of 40% of the customers' requirements. After award and during the catalog start-up/implementation period, the additional customer required catalog items will be added at prices determined fair and reasonable by the Contracting Officer. The entire customer catalog must be submitted via 832 transaction at least thirty days prior to the first order date. The catalog prices will establish the initial catalog and must be held throughout the first ordering week of the contract, if determined fair and reasonable by the Contracting Officer. Subsequent to implementation of the initial catalog, additional items may be required by customers, and individual items may be deleted. All items added to the catalog must be determined fair and reasonable for price prior to addition. Unless otherwise specified, items catalogued are not considered proprietary. In addition, the following applies to all subsequent weekly 832 updates in the catalog.

B. Customer Notification of Catalog Changes

1. The Contractor shall provide email notification to the DLA TROOP SUPPORT Contracting Officer, and all customers of **any/all** catalog item LSN **additions, deletions, and/or product brand/labels** no later than the day and time of submission of 832 catalog transactions to DLA TROOP SUPPORT (i.e. Wednesday 1:30pm local Philadelphia time).
2. Such notification should provide the LSN, item description, and brand/label.
3. When an item is deleted, the notification should include the fully explained reason for the requested deletion, e.g.: customers requested replacement item xxxx, item being discontinued and replaced by xxxxx, insufficient demand (with details), etc.
4. If a product is no longer required or replaced by a new item due to customer preference, the customers must **draw down** the existing inventory before ordering the new replacement item.
5. If a product is discontinued by the manufacturer, i.e., such as a pack size, and the pack size change is not acceptable to the customer, the contractor may be required to source another manufacturer's product.

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The Contractor shall not delete items due to not-in-stock status.

C. Price Changes –

Price changes will be in accordance with the Economic Price Adjustment (EPA) clause included in this contract. The DLA TROOP SUPPORT Contracting Officer will review price changes to determine fair and reasonableness when 832 transmission updates are received, but prior to release of catalog to customer. As part of this review, the Contracting Officer may require additional substantiated proof of the cost prior to final approval.

D. Catalog Changes

Submission of 832 catalog transactions for all changes, additions, deletes and/or additions is required to be submitted by Wednesday 1:30pm local Philadelphia time.

3. ADDITION OF NEW ITEMS TO THE CATALOG–

- A. When the Government customer requests a new item(s) not inventoried by the Contractor be added to the contract catalog, the customer shall initiate and provide sufficient information to the Contractor, via the STORES New Item Request Process to enable the contractor to promptly source the required item. **NOTE: Prior to all requests, the customer must obtain approval from their Service HQ (AF and Navy) and Food Program Manager (Army and Marines) for all catalog item additions.**

The Contractor shall source the item and submit their portion of the New Item Request Process in STORES, the fully completed LSN Request Form and required documentation to add such item(s). The LSN Request form is available at:

www.dla.mil/TroopSupport/Subsistence/FoodServices/mpanapa/mpa.aspx

- B. Each Contractor request to the Contracting Officer to add new item(s) must include the following documentation: copy of manufacturer's/grower's/private label holder's or Redistributor's original invoice and a screen shot in your electronic purchasing system signifying the delivered price, or a written price quote on the manufacturer's letterhead if the item is not currently in stock, and a written copy of the **manufacturer's** technical specification from the **manufacturer, grower, private label holder, or redistributor's**, and clear, legible images of the Principle Display Panel (PDP) and Information Panel from the manufacturer, grower, private label holder, or redistributor. Contractors must ensure that the PDP and Information Panel contain the USDA FSIS mandatory elements:
- i. The Principal Display Panel (PDP) showing:
 - Product Name
 - Handling Statement
 - Legend/Establishment Number
 - Net Weight Statement
 - ii. The Information Panel showing:
 - Ingredients Statement
 - Signature Line

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-Nutrition Facts*

iii. Mandatory Safe Handling Instructions Displayed Anywhere on Labeling

* Although the nutritional statement is not mandatory on some items, if nutritional facts are not included on the Information Panel, offeror must provide the nutritional facts on the manufacturer's technical specification.

Contractors must ensure that the **manufacturer's** technical specification contains the following information, where applicable: product name/standard of identity (to include the addition of solution or marinade), brand name, GTIN number, Manufacturer SKU number, Country of Origin, name and address of original manufacturing facility, grade of product, NAMP/IMPS number, state/method of refrigeration (IQF, frozen, etc.), weight, package sizes, tare weight, and manufacturer's stated product shelf life.

For any new add requests for items which have closed shelf life code dates, the Contractor is required to provide code break data so the Government can determine the product expiration date.

- C. Once an item has been authorized and approved by the Contracting Officer, written notification will represent the Contracting Officer's determination of price reasonableness.
- D. The Contractor shall promptly add the item to the catalog in the first weekly 832 transmission after Contracting Officer approval, and have the item available for order and delivery within 21 days of receipt of such Contracting Officer approval for existing suppliers, or no greater than 45 days from Contracting Officer approval when the item supplier is a new source for the Contractor, i.e. the Contractor does not have an existing Purchase Agreement in place with the new item supplier at the time of the Contracting Officer's approval to add the item.
- E. The approved price for any/all items as submitted on the LSN Request Form WILL be the price submitted in the subsequent 832 transmission. Incoming 832 transmissions will be verified for compliance. If circumstances warrant a price change prior to initial 832 submission, the Contractor must resubmit the new price supported with invoice for approval. Without Contracting Officer approval, prices submitted other than those originally approved will be rejected.
- F. The LSN Request Form includes a field for the Contractor to suggest a Distribution Category. However, the Contracting Officer will make the final decision on the Distribution Category assigned.

NOTE: Under no circumstance shall a Contractor transmit any catalog 832 transaction to add a catalog item without the Contracting Officer's written approval.

4. FILL RATES

Order fill rates shall be calculated by the Contractor on an on-time, per order basis and tracked for monthly submission to the Contracting Officer/Account Manager. To ensure accuracy in the Contractor's reported fill rates, the Government will utilize its own internal data for comparison purposes. The fill rate will be measured in two

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categories: non catch-weight items and catch-weight items. The required contract purchase order fill rate is 98.5% for non-catch-weight and catch-weight items.

During contract performance, failure to achieve fill rate requirements may have a negative effect on past performance ratings 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.

- A. The Government's in-house record for non-catch-weight fill rate shall be calculated utilizing the purchase order and receipt information located in STORES, as specified below. The vendor's submitted fill rate reports will be based on the same formula, and shall not include substitutions, miss-picks, damaged cases, rejected items, etc.

$$(\text{Cases accepted} / \text{cases ordered}) \times 100 = \text{Fill Rate \%}$$

B. Definitions:

- (1) 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.
 - (2) 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.
 - (3) Cases accepted: For non-catch-weight items, the product quantity that the customer has received and receipted, not including damaged cases, and miss-picks.
 - (4) Cases ordered: For non-catch-weight items, the product quantity requested by a customer.
 - (5) Pounds accepted: For catch-weight items, the product quantity that the customer has received and receipted, not including damaged cases, and miss-picks.
 - (6) 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%.
- C. 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.
- D. See paragraph VII.4.A above for the calculation of fill rate for catch-weight items.
- E. 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.

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- F. Non-conforming cases, e.g. incorrect items (miss-picks) and damaged cases will not be accepted and receipted.
- G. 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 purchase order required delivery dates (RDD). Fill rates are calculated for non-catch-weight items and catch-weight items.
- H. The Contractor shall promptly inform the Acquisition Specialist and Contracting Officer 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 Contracting Officer agrees with the justification, the exception will post to its in-house system which will result in the purchase order or line(s) either being excluded from the Government fill rate calculation or the correct purchase order and receipt quantities being included in the calculation. These excusable instances represent Fill Rate Exceptions, and are shown below.
- I. 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) on a monthly basis to the DLA TROOP SUPPORT Contracting Officer. The reports shall be based on purchase order required delivery dates (RDD), not purchase 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.

Fill Rate Exception Codes (All Customers Including Navy Land Based)

Code	Reason
C02	Customer Decreased Quantity Or Cancelled (Including Pre-Delivery)
C03	Cancelled Due To Operational Schedule Change
C04	Insufficient Lead Time
C05	Rejected Due To Quality Issues
C07	Other, Caused By Vendor
C08	Other, Customer Issue
C09	Late/Non-Delivery of C02 Canisters (Where applicable)
C10	Vendor Not In Stock Or Short Shipped (No Replacement Ordered)
C11	Vendor Not In Stock Or Short Shipped (Replacement Ordered)
D01	Valid STORES System Issues (Receipt, Catalog, PRF, etc....)
D04	CONUS/OCONUS NIS Approved By The Contracting Officer/COR
V01	Monthly Item Demand Exceeds Average Demand By >300% (OCONUS Only)
V02	Newly Cataloged Item (Insufficient Time For Vendor To Capture Demand History)
V03	Low Shelf Life Item - Frequency Restocking Required

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V04	Customer Decreased Quantity Or Cancelled (Including Pre-Delivery)
V05	Customer Based Order Quantity On The Incorrect Unit Of Issue
V06	Customer Did Not Provide Sufficient Ordering Lead Time
V07	Item Being Phased Out (Catalog Timing Issue - Does Not Include Vendor Voluntary Brand Changes)
V08	Catch Weight Adjustment (Customer Orders 100 Lbs Actual Weight Of Product Is 98 Lbs)
V09	Product Recalled
V10	Other (Vendor To Provide Specific Explanation/Backup Documentation For "Other" Exception)
V11	Vendor Not In Stock Or Short Shipped
V12	CONUS/OCONUS NIS Caused by DTS Delay - Approved By The Contracting Officer/COR

Fill Rate Exception Codes (Navy Afloat (Ships) Only)

Code	Reason
C02	Customer Decreased Quantity Or Cancelled (Including Pre-Delivery)
C09	Late/Non-Delivery of C02 Canisters (Where applicable)
C10	Vendor Not In Stock Or Short Shipped (No Replacement Ordered)
C11	Vendor Not In Stock Or Short Shipped (Replacement Ordered)
V01	Monthly Item Demand Exceeds Average Demand By >300% (OCONUS Only)
V02	Newly Cataloged Item (Insufficient Time For Vendor To Capture Demand History)
V04	Customer Decreased Quantity Or Cancelled (Including Pre-Delivery)
V05	Customer Based Order Quantity On The Incorrect Unit Of Issue
V08	Catch Weight Adjustment (Customer Orders 100 Lbs Actual Weight Of Product Is 98 Lbs)
V12	CONUS/OCONUS NIS Caused by DTS Delay - Approved By The Contracting Officer/COR

***This is an example of the pre-formatted DLA Troop Support Vendor Fill Rate Exception Spreadsheet

DLA Troop Support Vendor Fill Rate Exception Spreadsheet									
Contract #	DODAAC	PO Number	Stock #	Exception Code	Actual Order Cases	Actual Rcpt Cases	Actual Order Wgt (Catch)	Actual Rcpt Wgt (Catch)	Other Reason Verbose Description
Notes:									
1) If you are indicating that the PO line should be completely excluded from the fill rate calculation, enter the number "0" for columns F thru I.									
2) Columns H and I are required for catch weight items only.									
3) Exception codes must be from the current list of DSCP authorized vendor short shipment exception codes.									
4) Column J should only be filled in if exception code V00 has been entered in column E.									
5) Use the header provided without altering.									
6) Do not add additional columns.									
7) Do not delete existing columns.									
8) Do not provide additional column totaling.									

***This is an example of the pre-formatted DLA Troop Support Vendor Fill Rate PO Summary

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DLA Troop Support Vendor Fill Rate PO Summary Spreadsheet											
					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 %	
Contract #	DODAAC	PO Number	Total Actual Order Cases	Total Actual Rcpt Cases							
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. Contractor quantity performance will be measured by the number of filled line items accepted by the customer as compared to line items ordered by the customer. The Contractor will provide the customer's signed invoice or receipt document to their local NAVSUP Fleet Logistics Center STORES operator the same day the order was delivered and accepted by the customer. For catch weight items, the Contractor will meet or exceed the requisition required weight.

****A line item and stock numbered item are the same for the purposes of calculating fill rates.**

Line Item Fill Rate= ((Quantity Accepted)/(Quantity Ordered)) x 100

C. The Contractor shall promptly inform the Acquisition Specialist or Contracting Officer 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

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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. Non-conforming cases, e.g. incorrect items (mis-picks) and damaged cases will not be accepted and receipted. The Contractor shall submit its fill-rate report (to include a line by line fill rate) 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. The Contractor shall submit its hard-copy fill-rate report grouped and sorted by customer DODAAC (first 6 positions of the PO), and then sorted by PO within each DODAAC grouping. Only POs whose RDD falls within the report period, should be included on the report. In addition to the hard-copy fill rate report, and the aforementioned Vendor Fill Rate Exception Spreadsheet, the Contractor is required to submit an additional spreadsheet which is an electronic version of their hard-copy fill rate data. The Contractor shall use the provided, pre-formatted DLA Troop Support Vendor Fill Rate Line by Line Spreadsheet. Contractors are not permitted to reformat the spreadsheet. Column totals are not desired on this spreadsheet. The Government fill rate will be the official fill rate.

****END NAVY SHIPS LANGUAGE****

5. FOOD SHOWS

- A. The Contractor is required to advise the Contracting Officer and the Acquisition Specialist of all Food Shows that are conducted throughout the course of the contract. The Contractor is not required to conduct a Food Show specifically for its DLA contract customers; however, the Contracting Officer reserves the right to participate in any Food Show that the Contractor conducts for its general business. Participation may or may not involve customers or DLA personnel attending the Food Show.
- B. Should the Contracting Officer choose to participate,
 - 1) Approximately one (1) month prior to the Food Show, the Contractor shall furnish the Contracting Officer and/or Acquisition Specialist the following information:
 - (a) List of manufacturers/brokers attending the Food Show;
 - (b) Map showing the locations of booths;
 - (c) Effective period of any offered allowances, i.e. off-invoice discounts;
 - (d) Statement as to whether the allowances are applicable to all orders placed within the effective period, and
 - (e) Usage report for all customers covered by the contract. This data shall represent the same number of weeks as the effective period of the allowances. The data shall be a consolidation of all customers, and be sorted in booth order sequence. At a minimum the following elements are required:
 - (i) Vendor Part Number;
 - (ii) Description of item;
 - (iii) Usage quantity;
 - (iv) Manufacturer/Brand; and

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(v) Booth Number of the exhibitor and the products they represent

- 2) At the end of the Food Show allowance period, the Contractor shall submit to the Contracting Officer/Acquisition Specialist a Food Show savings report by customer. This shall be completed within 2 weeks of the end of the allowance period. A total sales report for the same period shall also be submitted.
- 3) Food Show allowances must be passed on to the customers directly as a discounted price. Accordingly, when the applicable items are ordered, the price must reflect the discount if ordered during the specified time frame. The discounted price is the price that is to be submitted via the 832 catalog transmission. All decreases in price must be submitted via the 832 transmission the week prior to the beginning of the allowance period.

6. CUSTOMER SERVICE AND SUPPORT

- C. The Contractor shall treat each and every customer covered under this contract with the same customer service policy given to their commercial and/or other accounts.
- D. The Contractor shall provide at least one (1) full time Customer Service Representative to maintain continuous contact with all the ordering activities. The name of the representative and the phone number, mobile phone number, beeper number, email address, and any other method of communicating with the representative, shall be furnished to the customers after award. If the Customer Service Representative is out of the office there shall be a backup Customer Service Representative that can maintain continuous contact with all the ordering activities.
- E. The customers in this area have periodic food menu board meetings and the Contractor may be invited to attend these meetings. At these meetings, the customers not only review their internal business practices, but the Contractor can utilize this forum to show new products, demonstrate product preparation, provide nutritional information and address any other concerns the customer may have. Contractors shall participate in these meetings as requested.
- F. The Contractor shall hold meetings with all customers serviced under the resultant contract at a minimum of once per month via customer visits, telephonically, or electronically, in order to maintain open communication and address any issues that may arise. The method of Contractor interaction with the customer may vary according to the needs of the customers, and more than one meaningful contact may be required per month. The Contractor must document their customer contact/visits and provide a copy to the Contracting Officer upon request.

Since many of our customers only have access to the Government phone network, it is required that a toll free telephone number be provided.

G. NON-ACCEPTABILITY OF GOVERNMENT

SURPLUS MATERIAL

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(a)Definition.

“Surplus material,” means new, unused material that was purchased and accepted by the U.S. Government and subsequently sold by the DLA Disposition Services, by Contractors authorized by DLA Disposition Services, or through another Federal Government surplus program. The terms “surplus” and “Government surplus” are used interchangeably.

(b)The Government has determined that offers of surplus material will not be considered for this acquisition.

VIII. SPECIAL CONTRACT REQUIREMENTS

1. NON-COMPETE PROVISION

A. The offeror warrants that, upon receiving a contract award, it will not actively promote, encourage, engage, or market any of the customers on this acquisition away from the resultant DLA TROOP SUPPORT contract and onto a full-line food and beverage contract or account of any other Government agency or commercial entity. This prohibition is in effect during the life of the resulting contract, and restricts competition in the specific geographic distribution region that is the subject of this acquisition. A violation of this term may result in the Contracting Officer terminating the contract, documenting this action as part of the awardee’s past performance data, and taking other appropriate recourse as permitted by contract or applicable regulations and law.

2.MANAGEMENT REPORTS

A. The Contractor shall electronically transmit the following reports to the DLA TROOP SUPPORT Contracting Officer and Acquisition Specialist on a monthly basis, except as otherwise noted. All reports shall be cumulative for a one (1) month period (except as otherwise noted) and submitted no later than the seventh day of the following month, e.g., reporting period of January 1st through January 31st – the reports are due February 7th. Weekly reports shall be submitted by the Friday after the week being reported. The Contractor may be required to submit reports on an as-needed basis in addition to the regularly scheduled reports.

	Report Received from Contractor	Frequency
(i)	Fill Rate, Non Catch-Weight Items	Weekly & Monthly
(ii)	Fill Rate, Catch-Weight Items	Weekly & Monthly
(iii)	Ability One Subcontracting	Monthly
(iv)	Vendor Catalog	Weekly
(v)	Small Business	Monthly
(vi)	Descending Case	Monthly
(vii)	Descending Dollar	Monthly
(viii)	NAPA Report	Monthly
(ix)	Customer Contact/Visits	Monthly
(x)	Not in Stock (NIS)	Monthly

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(xi)	Government Rebates and Discounts (General)	Monthly
(xii)	Government Rebates and Discounts (Food Show) (Contractor will report any rebate/discount additions, deletions or changes by item)	As Required
(xiii)	Earned Income Categories	(Update as applicable)
(xiv)	Private Label Savings	Quarterly

These reports are reviewed by the Contracting Officer. Other performance measurements monitored include, but are not limited to, adherence to mandatory items, Contractor Performance Assessment Reports (CPARS), adherence to delivery of domestic products, and adherence to the Contractor's Food Defense Plan. The Contracting Officer has determined that routine methods are appropriate to monitor contract performance. Metrics are reported monthly to Subsistence top management who in turn reports these measurements to Command.

The following are in-depth descriptions of the major reports listed in the table:

(1) Fill Rate:

The Contractor shall submit its monthly fill rate report (to include overall fill rate; non- catch weight item fill rate; and catch-weight item fill rate) to the DLA Troop Support Contracting Officer. The report shall be based on order required delivery dates (RDD), not order placement dates, e.g. the report for March 2019 shall include all orders placed for deliveries covering the period from February 1st through February 28th (or 29th in a leap year). This would normally include orders placed the last day(s) of February 2019. In addition to monthly fill rate reports, more frequent reports may be required on an as needed basis. The Government will compare and attempt to reconcile the Government and Contractor's reports. The Government's fill rate report will be the official government record for contract performance evaluation. The fill rate is calculated by dividing the number of cases accepted by the customer by the number of cases ordered. Miss-picks and damaged cases should not be included in this calculation. The report shall specify fill rates per customer and an overall average fill rate for all customers under the contract for the period being reported. The monthly fill rate reports should specify fill rates grouped by contract number/DODAAC (first six positions of the purchase order)/purchase order number. The date range of the report shall be based on the customer's required delivery date (RDD). Overall discrepancy report shall only include purchase orders that contain less than 100% fill rate and reason code for discrepancy. The Contractor shall submit a separate discrepancy spreadsheet containing a list of Government authorized and verifiable fill rate exceptions using acceptable codes as outlined in the solicitation. Please note that the fill rate could take up to three months to calculate due to system reconciliation. However, the government's finding will serve as the final rate.

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(2) AbilityOne Subcontracting:

This report must list all products supplied by Ability One firms. Total dollars and percentages shall be highlighted within the Socioeconomic Report. Progress reports regarding these subcontracting efforts relative to AbilityOne entities are also required.

(3) Small Business:

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, HUBZone small business, veteran owned small business, service disabled veteran owned small business, and AbilityOne Program. 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. The workshops in Non Profit Agencies participating in the AbilityOne Program are not to be categorized under Small Disadvantaged Business as they are non-profit organizations and should be considered their own separate category. Note: This report is for direct subcontracts for products supplied to customers. This report is not to include direct costs. SBA must certify (a) SDB that are a part of the SBA 8(a) program; and (b) HUBZone business.

A summary page of the report shall also be submitted which 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 that 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.

(4) Descending Case Report:

This report must list all products sold for a one-month period in descending order by case. It provides visibility of regularly purchased line items, in terms of quantity, from most to least.

(5) Descending Dollar:

Sorted by line item; each line to contain at a minimum the DLA TROOP SUPPORT stock number, item description, pack or size, brand description, quantity, and total dollar value of units shipped. Dollar amounts must be totaled. This report shall be submitted by individual customer accounts AND also by the total customer base.

(6) NAPA Report:

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One2One prepares a report summarizing the discrepancies between what savings should have been passed along to the customers in the form of deviated allowance realized as a result of utilizing NAPAs on a monthly basis per item on each contract. The report is a spreadsheet which lists the contract, the NAPA amount, the manufacturer/broker name, the quantity ordered, and calculates the savings that should have been passed along to the customers versus what savings were actually passed along for a given month. This report is provided to both the Contractor and DLA Troop Support.

The Contractor is responsible for addressing each discrepancy shown on this report within one week of receiving the report from One2One. If the Contractor has not passed along all savings due to the customer, and does not successfully show a reason why these savings were not given (such as an error in Government data), the Government is entitled to receive the total dollar amount shown on the discrepancy report. The Government reserves the right to make final determinations on all discrepancies.

(7) Customer Contact/Visits

The Contractor must document their customer contacts/visits and provide a copy to the Contracting Officer upon request.

(8) Not In Stock:

This report must list all not-in-stock products (in accordance with the definition of fill rate/not in stock) for a one-month period.

(9) Government Rebates and Discounts:

- a. General: The Contractor shall provide a monthly report identifying any and all Government Rebates and Discounts received by the Contractor, and the amount passed on to the Government. The Contractor must indicate the type of Government Rebates and Discounts received by the Contractor, whether they are being passed on to the Government customers consistent with its Price Proposal, whether they are of limited or special duration, and the amount that has been passed on to the Government, in the form of an upfront price reduction.
 - (i) This report should summarize the savings passed along to the customers in the form of general Government Rebates and Discounts. List each customer, the amount, the manufacturer/broker name, and quantity ordered. General Government Rebate and Discount figures should be listed per customer, per contract and per manufacturer.
- b. Food Show: This report should show a detailed break out of all

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savings received at your Food Show. This report is not a monthly requirement, but is based on the timing of your Food Show. List each customer, the Food Show amount, the manufacturer/broker name, and quantity ordered. Food Show Government Rebates and Discounts should be listed per customer, per contract, and per manufacturer. The total should be per customer and per contract.

(10) Earned Income Categories:

Any changes, additions or deletions to those categories identified by the contractor in their price proposal that occur during contract performance will be immediately reported by the Contractor as part of its next scheduled monthly management reports. It is not necessary to submit specific dollar amounts of Earned Income, just the categories. Examples of categories are marketing allowances and sales volume incentives.

(11) Private Label Savings

- a. Current Savings: This section of the report will identify all “private label” items on the contract catalog and the savings (by line item and cumulative) associated with using private label versus national brand names for like items. Likewise, in the event that any private label items cost more than national brand like items, identify these items and dollar amounts.
- b. Potential Savings: This section of the report shall identify other items that would be suitable for conversion to private label and the estimated cost savings, projected on a quarterly basis (by line item and cumulative). As part of the Customer Visits, the contractor will recommend items that may be switched from brand name to private label to save the customer money.

If a conversion to a private label item occurs, the item shall be included in the Current Savings section of this report as explained in paragraph A. Any private label item that is added or deleted from the catalog during the quarter must be clearly annotated on the report to include the date the action (add or delete) occurred.

Both sections of the report must include the usage quantity for the item currently on the catalog. In addition, the LSN/NAPA (if applicable), part number, item description, and price for both the private label and national brand must be provided.

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CONTRACT CLAUSES

52.212-4, CONTRACT TERMS AND CONDITIONS --COMMERCIAL ITEMS (OCT 2018) is incorporated in this solicitation by reference. Its full text may be accessed electronically at <https://www.acquisition.gov/far/index.html>. Text is available for viewing in Subpart 52.2 Text of Provisions and Clauses, through either the HTML or PDF Format links.

Addendum to 52.212-4:

The following paragraph of 52.212-4 is 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 Government's authorized receiving official for each customer is responsible for signing for and accepting products when they are delivered. In the absence of an applicable medical inspection authority, the final disposition decision to accept or reject product rests with the food service officer and/or the Government's authorized receiving official. However, when an applicable medical inspection authority is present, a decision to reject product rests with the medical authority under the following conditions:

- (1) Unsanitary conveyances – gross filth, pesticide spillages, mold, etc.
- (2) Improper temperatures of potentially hazardous foods.
- (3) Unapproved sources (those not previously assessed; passed their required response time; or those deemed an unacceptable risk).
- (4) Contamination (intentional or unintentional).
- (5) Unwholesomeness.
- (6) Off-condition or damaged.
- (7) Stored product pests (insect infestation, rodent or animal damage).
- (8) Food defense concerns

2. Paragraph (c), *Changes*, is deleted in its entirety and replaced with the following:

(c) Changes.

- (1) In addition to bilateral modifications 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 or 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

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before final payment of the contract.

3. Paragraph (g), *Invoice*, is revised to add the following:

(3) Each delivery will be accompanied by the Contractor's delivery ticket/invoice. Three (3) copies (an original plus two) shall accompany the shipment. The customer shall sign all copies of the delivery ticket/invoice, keep one (1) copy and return original copy to the vendor. Any changes must be made on the face of the invoice; attachments are not acceptable.

(4) All invoicing for payment is to be filed electronically using EDI transaction set 810 (see for Subsistence Total Order and Receipt Electronic System (STORES) EDI Information). 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. Electronic invoices should be filed promptly (i.e. once all credits and/or credit adjustments are made) and in any case, in fewer than 90 days after delivery.

(5) Invoice transactions may be submitted to DLA TROOP SUPPORT daily; however, 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 vendor will be responsible for correction and re-submission.

(6) The same invoice cannot be submitted with different dollar amounts.

(7) For catch weight items, standard rounding methods must be observed, i.e. < 5: rounded down; = 5 or > 5: 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 vendor.

(8) Unit prices and extended prices must be formatted not more than two (2) decimal places to the right of the decimal point. Subsistence Total Order and Receipt Electronic System (STORES) will not accommodate positions of 3 and above beyond the decimal point

(9) The following address must appear in the "Bill To" or "Payment Will Be Made By" block of the Contractor's invoice:

DFAS – Columbus Center
Attn: DFAS – CO-
P.O. BOX 182317
COLUMBUS, OH 43218-6260

(10) Each invoice shall contain sufficient data for billing purposes. This includes, but is not limited to:

Contract Number, Call or Delivery Order Number, and Purchase Order Number;
DoDAAC;
Contract line listed in numeric sequence (also referred to as CLIN order);
Item nomenclature;
LSN or NSN;
Quantity purchased per item in DLA TROOP SUPPORT's unit of issue;
Total dollar value on each invoice (reflecting changes to the shipment, if applicable).

(11) Vendors are required to use the Vendor Reconciliation Tool [see below] to identify and correct

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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. In the event of an unresolved payment discrepancy, the vendor must present a signed delivery ticket/invoice.

4. Paragraph (i), *Payment*, is revised to add the following:

(7) DFAS Columbus Center is the payment office for this acquisition.

(8) All 810 electronic invoices must be submitted with accurate, sufficient, clean data before any payment can be made.

(9) All offerors must have the ability to accept an 820 transaction set from its financial institution. DFAS Columbus will no longer forward a detailed summary of payment(s); this information will only be available from your bank.

(10) Vendor Reconciliation Tool: In an effort to improve the payment process, vendors will have availability to view what the customer has or has not receipted, via the website <http://www.troopsupport.dla.mil/subs/recon1.pdf>. 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 on the BSM website by the Contractor. While the vendor will not have the capability to update customer receipt information, update capability will be available for unreconciled invoice information for approximately 30 days.

(11) The Government intends to make payments under the resultant contract by electronic funds transfer (EFT). Reference Clause 52.232-33, “Mandatory Information for Electronic Funds Transfer Payment” appearing in the section of this solicitation entitled “Contract Clauses.” However, the election as to whether to make payment by check or electronic funds transfer is at the option of the Government.

5. Paragraph (m), *Termination for Cause*. Delete paragraph (m) in its entirety and substitute 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 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 together with any incidental or consequential damages incurred because of the termination. If it is determined that the Government improperly terminated this contract for cause, such termination shall be deemed a termination for convenience.

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6. Paragraph (o), *Warranty*, is revised to add the following:

“In the event that a product recall is initiated by the Contractor, grower or manufacturer, the Contractor shall 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 Account Manager; and
- (iv) DLA TROOP SUPPORT Consumer Safety Officer at 215-737-3845

(2) Provide the following information to the DLA TROOP SUPPORT Consumer Safety Officer within three (3) days:

- (i) Reason for recall;
- (ii) Level of recall, i.e. Type I, II or III;
- (iii) Description of product;
- (iv) Amount of product;
- (v) List of customers that have received product; and
- (vi) Name and phone number of responsible person (Recall Coordinator)

(3) The Contractor shall 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 any addendum contained in the solicitation.

7. Paragraph (s), *Order of precedence*, is revised to add the following:

(10) The Vendor’s Non-Price Proposal

8. Paragraph (t), *System for Award Management*.

Add the following paragraph:

(a) Definitions.

“System for Award Management (SAM) database” means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes.

“Commercial and Government Entity (CAGE) Code” means—

(1) An identifier assigned to entities located in the United States or its outlying areas by the Defense Logistics Agency (DLA) Commercial and Government Entity (CAGE) Branch to identify a commercial or Government entity; or

(2) An identifier assigned by a member of the North Atlantic Treaty Organization or by the NATO Support and Procurement Agency (NSPA) to entities located outside the United States and its outlying areas that the DLA Commercial and Government Entity (CAGE) Branch records and maintains in the CAGE master file. This type of code is known as a NATO CAGE (NCAGE) code.

“Unique Entity Identifier” means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See www.sam.gov for the designated entity for establishing unique

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entity identifiers.

“Registered in the System for Award Management database” means that—

(1) The Offeror has entered all mandatory information, including the unique entity identifier and the EFT indicator, if applicable, the Contractor and Government Entity (CAGE) code, as well as date required by the Federal Funding Accountability and Transparency Act of 2006, into the SAM database;

(2) The Offeror has completed the Core Data, Assertions, and Representations and Certifications, and Points of Contact sections of the registration in the SAM database;

(3) The Government has validated all mandatory data fields to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service. The Offeror will be required to provide consent for TIN validation to the Government as part of the SAM registration process.

(4) The Government has marked the record “Active”.

9. Paragraph (v), Contractor Performance Assessment Reporting System (CPARS):

(1) Background

- (i) 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.
- (ii) Effective October 1, 2006, a Department of Defense (DoD) Public Key Infrastructure (PKI) Certificate will be required for all DoD users accessing CPARS. Effective November 1, 2006, a DoD PKI Certificate will be 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

- (i) Contractors who do not work at a Department of Defense facility may purchase a DoD PKI certificate from one of three External Certificate Authorities (ECAs). The ECAs are vendors 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 <http://iase.disa.mil/pki/eca/certificate.html>. Each Contractor employee accessing CPARS will need an Identity Certificate (An Encryption Certificate is not required). Certificate prices range in from \$99 - \$115 per certificate per year, with volume discounts at some ECAs.

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Each Contractor must fully comply with the DoD requirement to implement PKI in order for our information systems to remain secure and viable.

52.212-5 -- Contract Terms and Conditions Required to Implement Statutes or Executive Orders -- Commercial Items. (May 2019)

(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) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(2) 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018) (Section 1634 of Pub. L. 115-91).

(3) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (Nov 2015)

(4) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(5) 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 2018) (Pub. L. 109-282) (31 U.S.C. 6101 note).

 (5) [Reserved]

 (6) 52.204-14, Service Contract Reporting Requirements (Oct 2016) (Pub. L. 111-117, section 743 of Div. C).

 (7) 52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Oct 2016) (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 (Oct 2018) (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).

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- ___ (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 2018) (15 U.S.C. 637(d)(2) and (3)).
- X (17) (i) 52.219-9, Small Business Subcontracting Plan (Aug 2018) (15 U.S.C. 637 (d)(4)).
- ___ (ii) Alternate I (Nov 2016) of 52.219-9.
- X (iii) Alternate II (Nov 2016) of 52.219-9.
- ___ (iv) Alternate III (Nov 2016) of 52.219-9.
- ___ (v) Alternate IV (Aug 2018) 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 (Jan 2017) (15 U.S.C. 637(a)(14)).
- ___ (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).
- ___ (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)).
- X (25) 52.222-3, Convict Labor (June 2003) (E.O. 11755).
- X (26) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126).
- X (27) 52.222-21, Prohibition of Segregated Facilities (Apr 2015).
- X (28) (i) 52.222-26, Equal Opportunity (Sep 2016) (E.O. 11246).
- ___ (ii) Alternate I (Feb 1999) of 52.222-26.
- X (29) (i) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212).
- ___ (ii) Alternate I (July 2014) of 52.222-35.
- X (30) (i) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
- ___ (ii) Alternate I (July 2014) of 52.222-36.
- ___ (31) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212).
- X (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 (JAN 2019) (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).
- X (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) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (Jun 2016) (E.O.13693).
- ___ (37) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (Jun 2016) (E.O. 13693).
- ___ (38) (i) 52.223-13, Acquisition of EPEAT® -Registered Imaging Equipment (Jun 2014) (E.O.s 13423 and 13514)

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- ___ (ii) Alternate I (Oct 2015) of 52.223-13.
- ___ (39) (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.
- ___ (40) 52.223-15, Energy Efficiency in Energy-Consuming Products (Dec 2007) (42 U.S.C. 8259b).
- ___ (41) (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 (42) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging while Driving (Aug 2011) (E.O. 13513).
- ___ (43) 52.223-20, Aerosols (Jun 2016) (E.O. 13693).
- ___ (44) 52.223-21, Foams (Jun 2016) (E.O. 13696).
- ___ (45) (i) 52.224-3, Privacy Training (Jan 2017) (5 U.S.C. 552a).
- ___ (ii) Alternate I (Jan 2017) of 52.224-3.
- X (46) 52.225-1, Buy American--Supplies (May 2014) (41 U.S.C. chapter 83).
- X (47) (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.
- X (48) 52.225-5, Trade Agreements (Aug 2018) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).
- X (49) 52.225-13, Restrictions on Certain Foreign Purchases (June 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- ___ (50) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Oct 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
- ___ (51) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (Nov 2007) (42 U.S.C. 5150).
- ___ (52) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) (42 U.S.C. 5150).
- ___ (53) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 4505), 10 U.S.C. 2307(f)).
- ___ (54) 52.232-30, Installment Payments for Commercial Items (Jan 2017) (41 U.S.C. 4505, 10 U.S.C. 2307(f)).
- X (55) 52.232-33, Payment by Electronic Funds Transfer--System for Award Management (Oct 2018) (31 U.S.C. 3332).
- ___ (56) 52.232-34, Payment by Electronic Funds Transfer--Other Than System for Award Management (Jul 2013) (31 U.S.C. 3332).
- ___ (57) 52.232-36, Payment by Third Party (May 2014) (31 U.S.C. 3332).
- X (58) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).
- ___ (59) 52.242-5, Payments to Small Business Subcontractors (Jan 2017) (15 U.S.C. 637(d)(13)).
- ___ (60) (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.
- ___ (iii) Alternate II (Feb 2006) 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 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)

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- ___ (2) 52.222-41, Service Contract Labor Standards (Aug 2018) (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) (Aug 2018) (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) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706).
- ___ (10) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (May 2014) (42 U.S.C. 1792).
- (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 (Jan 2019) (41 U.S.C. 3509).
- (ii) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).
- (iii) 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018) (Section 1634 of Pub. L. 115-91).
- (iv) 52.219-8, Utilization of Small Business Concerns (Oct 2018) (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.

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- (v) 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.
 - (vi) 52.222-21, Prohibition of Segregated Facilities (Apr 2015).
 - (vii) 52.222-26, Equal Opportunity (Sep 2016) (E.O. 11246).
 - (viii) 52.222-35, Equal Opportunity for Veterans (Oct 2019) (38 U.S.C. 4212).
 - (ix) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
 - (x) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212).
 - (xi) 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.
 - (xii) 52.222-41, Service Contract Labor Standards (Aug 2018), (41 U.S.C. chapter 67).
 - (xiii) (A) 52.222-50, Combating Trafficking in Persons (Jan 2019) (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).
 - (xiv) 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.)
 - (xv) 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)
 - (xvi) 52.222-54, Employment Eligibility Verification (Oct 2015) (E. O. 12989).
 - (xvii) 52.222-55, Minimum Wages Under Executive Order 13658 (Dec 2015).
 - (xviii) 52.222-62, Paid sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706).
 - (xix) (A) 52.224-3, Privacy Training (Jan 2017) (5 U.S.C. 552a).
 - (B) Alternate I (Jan 2017) of 52.224-3.
 - (xx) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Oct 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
 - (xxi) 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.
 - (xxii) 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.

ADDENDUM TO FAR 52.212-5

ECONOMIC PRICE ADJUSTMENT (EPA) – ACTUAL MATERIAL COSTS FOR SUBSISTENCE DELIVERED PRICE BUSINESS MODEL – DLA TROOP SUPPORT SUBSISTENCE PRIME VENDOR (SPV) CONTIGUOUS UNITED STATES (CONUS), ALASKA, AND HAWAII

(a) Warranties. For the portion of the schedule that is covered by this EPA language, 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 EPA language; and
- (2) Price adjustments invoiced under this contract shall be computed in accordance with the provisions of this EPA language.

(b) Definitions. As used throughout this EPA language, the term:

(1) “Private label holder” means:

- (i) A manufacturer or grower with whom the contractor holds an ownership and/or financial interest, or ownership and/or financial interest in a specific item(s) produced by a manufacturer or grower; or
- (ii) An entity holding an intellectual property interest, whether by ownership or license, in the label under which product is being sold in the commercial marketplace; or
- (iii) An entity holding exclusive marketing and/or sales authority of a product, or one holding property

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rights in a proprietary product formula.

(2) “Redistributor” means an entity independent of the contractor from which the contractor purchases product for purposes of consolidating quantities and/or obtaining a competitive delivered price.

(3) “Standard Freight” means the published list price or prevailing market rate for transportation of subsistence and food service operating supplies, i.e. the transportation charge for delivery from the manufacturer/grower/private label holder or redistributor to the SPV Contractor. This may include inter-division transfers between the SPV Contractor’s warehouses provided the delivered price (inclusive of standard freight) of a product at a given time is identical to the delivered price of the same product at the same time to other commercial customers in the SPV Contractor’s electronic purchasing system.

(i) In the event the SPV Contractor picks up product free on board (f.o.b.) origin from a manufacturer/grower/ private label holder, or arranges for delivery transportation from a third party source other than the manufacturer/grower/private label holder, the standard freight charge shall be based on market tariffs/conditions and shall not exceed the lesser of:

(A) The manufacturer/grower/private label holder’s or manufacturer/grower/private label holder’s carrier’s freight price normally payable by the SPV Contractor for inbound shipments of such products and quantities to the Contractor’s distribution point; or

(B) An average price based on market conditions for freight in the same market for the same type of freight service for like products, shipping methods and quantities.

(ii) In rare circumstances, and only with the Contracting Officer’s written approval, the SPV Contractor may use drop shipments, i.e. the product is shipped directly from the manufacturer/grower / private label holder to the customer without the SPV Contractor taking possession. This may involve transportation charges using non-standard freight such as FedEx, United Parcel Service (UPS), or the United States (U.S.) Postal Service. In such instances the Contracting Officer will determine price reasonableness on the unit price inclusive of freight.

(4) “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 three components: delivered price plus distribution price less Government rebates and discounts. The unit price sum of the three component prices shall be rounded up or down as applicable, to the nearest cent to determine the final Contract unit price.

(5) Delivered price.

(i) Delivered price” means the most recent manufacturer, grower, or private label holder commercial price per unit to the Contractor, inclusive of all standard freight, that is input in the contractor’s purchasing system as the starting basis for its pricing to customers prior to the application of any specific distribution fees, rebates, discounts, limited discounts, or other financial agreements with the Contractor’s customers. The delivered price shall be based on f.o.b. destination delivered using standard freight. The delivered price shall exclude all costs that are to be covered in the distribution price. The SPV Contractor warrants that the delivered price to its delivering warehouse of a product sold at any given time by the SPV Contractor to DLA Troop Support customers is identical to the delivered price of such product sold at the same time to its other customers.

(A) Exception: For mandatory source items, the delivered price shall be limited to the nonprofit agency’s price for product as set in accordance with applicable law, plus standard freight.

(B) Exception: A redistributor’s price for a specific manufacturer/grower/private label holder’s product (or stock keeping unit (SKU)) may be used as long as the redistributor’s price for the quantity ordered is equal to or lower than the manufacturer’s/ grower’s/ private label holder’s current price inclusive of Government rebates and discounts (as defined below). Supporting documentation (published price list, manufacturer letter/email, or similar proof of price comparison) may be required. The determination that the supporting documentation is sufficient to establish the manufacturer’s/ grower’s/ private label holder’s current price rests solely with the Contracting Officer.

(C) Exception: Standard freight may not apply to drop shipments and f.o.b. origin pickups.

(ii) The Contractor shall utilize best commercial practices in purchasing its food items under this contract, to include seeking and using competition to the maximum extent practicable for all purchases and

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purchasing in the most economical order quantities and terms and conditions.

(6) “Distribution Price(s)” means the firm fixed price portion of the Contract Unit price, offered as a dollar amount per unit of issue, 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 delivered price; including but not limited to, the performance requirements of the statement of work (SOW) for the applicable SPV solicitation and resulting contract. As detailed above in paragraph (5), delivered price is distinct from and not to be included in the distribution price. For both drop shipments and Government pick-ups, the Contracting Officer may negotiate a reduced distribution price with the Contractor since the Contractor is not handling the product.

(7) “Government rebates and discounts” means all rebates, discounts, and limited discounts designated for the Government, including National Allowance Pricing Agreements (NAPA) discounts, food show discounts, early payment discounts (other than qualifying early payment discounts as defined in the Rebates, Discounts and Price Related Provisions section of the solicitation), and any other rebates, discounts, or similar arrangements designated by the manufacturer/grower/ private label holder or redistributor to be passed to the Government or passed to all customers without specific designation. In accordance with other provisions of the contract (and subject to any applicable exceptions in those provisions), all Government rebates and discounts shall be passed to the Government via a reduced catalog price (i.e. “off invoice”). Any Government rebates and discounts that must be passed to the Government and which cannot be applied as an up-front price reduction must be submitted via check payable to the U.S. Treasury, with an attached itemized listing of all customer purchases by line item to include contract number, call number, purchase order number and contract line item number (CLIN).

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

(9) “Ordering Week” means from Sunday at 12:01 AM through the following Saturday until midnight (Eastern Time ET, standard or daylight as applicable).

(c) Price adjustments.

(1) General.

(i) All Contract unit prices shall be fixed and remain unchanged until changed pursuant to this EPA language or other applicable provision of the contract. Only the delivered price component of the Contract unit price is subject to adjustment under this EPA language. After the first ordering week, if the Contractor’s delivered price changes for any or all Contract unit prices, the Contract unit price shall be changed in the next week’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 delivered price, subject to the limitations in paragraph (d). The price change shall be effective at the beginning of the next ordering week. All ordering catalog unit prices computed in accordance with this EPA language 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 week.

(ii) Catalog delivered prices must be reflective of the prime vendor’s last receipt price (the price of the stock most recently received into SPV contractor’s inventory).

(iii) Updates to the delivered price: All notices and requests for new item delivered prices and price changes shall be submitted weekly, no later than 1:30 PM local Philadelphia time on Wednesday, to be effective in the following ordering week’s ordering catalog prices. The delivered price shall have any and all Government rebates and discounts subtractions made prior to presenting the delivered 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 delivered price component of the applicable Contract unit price. Upon the Contracting Officer’s acceptance of such EDI 832 price changes in accordance with paragraph (v) below, the price change transaction sets will post in the next week’s ordering catalog and each Contract unit price shall be changed by the same dollar amount of the change in the delivered price in the next week’s ordering catalog.

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(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 weeks. 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, manufacturer/grower/private label holder documentation regarding Government rebates and discounts, 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 EPA language 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 Eastern Time each Friday 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 week. The posting of updated prices in the ordering catalog, calculated in accordance with this EPA language, constitutes a modification to this contract. No further contract modification is required to effect this change. Any changes that post to the ordering catalog do not constitute a waiver of any of the rights delineated elsewhere in the contract.

(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 delivered 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 Eastern Time on Friday. 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 may be considered negatively in any evaluation 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 EPA language, resulting in an incorrectly increased or decreased Contract unit price, upon discovery of such event the Contractor shall promptly notify the Contracting Officer in writing and promptly thereafter correct its ordering catalog and submit a refund including interest 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 EPA language shall be limited to the effect on contract unit prices of actual increases or decreases in the delivered prices for material. There shall be no upward adjustment for—

(i) Supplies for which the delivered price is not affected by such changes;

(ii) Changes in the quantities of materials; 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 EPA language) and/or increases in unit prices that the Contracting Officer determines are not fair and reasonable.

(3) If the Contracting Officer rejects a proposed adjustment for an item because the adjusted unit price cannot be determined fair and reasonable, the Contractor shall have no obligation to fill future orders for such item as of the effective date of the proposed adjustment unless such item is subsequently added to the contract at a Unit Price that is determined fair and reasonable. Alternately, the item may be retained on the catalog at the prior (unadjusted) price for as long as both parties agree to do so.

(d) Upward ceiling on economic price adjustment. The aggregate of contract delivered price increases for

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each item under this EPA language during the contract period inclusive of any option period(s) shall not exceed 30% for all items except fresh fruits and vegetables (FF&V) and 100% for fresh fruits and vegetables (FF&V) of the initial contract delivered 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 EPA language 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 832 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 delivered 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 an EDI 832 price change. The price change shall be posted for the following week'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 EPA language.

(f) Examination of records. 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, that the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this EPA language. Such examination may occur up to twice a year (except as provided for below) 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. These will normally involve Government selection of a statistically significant sample size of invoices/records to examine based on the number of line items on the specific contract catalog. If an examination of records reveals irregularities, further examinations and/or a larger sample size may be required. In addition to normal examination, the Government may conduct additional examinations at the Contracting Officer's discretion.

(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 EPA language.

(h) Disputes. Any dispute arising under this EPA language shall be determined in accordance with the "Disputes" clause of the contract.

52.204-21 – Basic Safeguarding of Covered Contractor Information Systems (Jun 2016)

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

"Covered contractor information system" means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

"Federal contract information" means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public Web sites) or simple transactional information, such as necessary to process payments.

"Information" means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

"Information system" means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

"Safeguarding" means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

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- (1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:
- (i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
 - (ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
 - (iii) Verify and control/limit connections to and use of external information systems.
 - (iv) Control information posted or processed on publicly accessible information systems.
 - (v) Identify information system users, processes acting on behalf of users, or devices.
 - (vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
 - (vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.
 - (viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
 - (ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
 - (x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.
 - (xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
 - (xii) Identify, report, and correct information and information system flaws in a timely manner.
 - (xiii) Provide protection from malicious code at appropriate locations within organizational information systems.
 - (xiv) Update malicious code protection mechanisms when new releases are available.
 - (xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.
- (2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.
- (c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.
- (End of clause)

L02 Electronic Order Transmission (SEP 2016)

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

- () American National Standards Institute (ANSI) X12 Standards through a DLA transaction services approved value added network (VAN).
 - () Electronic mail (email) award notifications containing web links to electronic copies of the Department of Defense (DD) Form 1155, Order for Supplies or Services.
- Email notification requires registration on the DLA Internet Bid Board System (DIBBS) home page at <https://www.dibbs.bsm.dla.mil/>.

If the offeror elects ANSI/VAN order transmission, DLA will send Electronic Data Interchange (EDI) transaction sets at time of award. The contractor shall acknowledge receipt of transaction sets with a functional acknowledgement or order receipt message within 24 hours. If the award transaction set is received on a weekend or Federal holiday, the acknowledgement must be received on the next working

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day. This acknowledgement will confirm that the contractor's interface with the system is working as needed for contract ordering.

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

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

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

DLA Land and Maritime, Helpdesk.EBS.L&M.LTCs@dlamail.mil

DLA Troop Support, dlaedigroup@dlamail.mil

DLA Aviation, avnprocsysproceddiv@dlamail.mil, phone # 804-279-4026

52.211-17 -- Delivery of Excess Quantities (Sep 1989)

The Contractor is responsible for the delivery of each item quantity within allowable variations, if any. If the Contractor delivers and the Government receives quantities of any item in excess of the quantity called for (after considering any allowable variation in quantity), such excess quantities will be treated as being delivered for the convenience of the Contractor. The Government may retain such excess quantities up to \$250 in value without compensating the Contractor therefor, and the Contractor waives all right, title, or interests therein. Quantities in excess of \$250 will, at the option of the Government, either be returned at the Contractor's expense or retained and paid for by the Government at the contract unit price. (End of Clause)

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

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

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

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

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

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

252.216-7006 Ordering.

ORDERING (MAY 2011)

(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 Effective date through up to 36 months thereafter.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c)(1) If issued electronically, the order is considered "issued" when a copy has been posted to the Electronic Document Access system, and notice has been sent to the Contractor.

(2) If mailed or transmitted by facsimile, a delivery order or task order is considered "issued" when the Government deposits the order in the mail or transmits by facsimile. Mailing includes transmittal by U.S.

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mail or private delivery services.

(3) Orders may be issued orally only if authorized in the schedule.

52.216-19 -- Order Limitations (Oct 1995)

(a) *Minimum order.* When the Government requires supplies or services covered by this contract in an amount of less than \$50, 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 \$7,000,000;

(2) Any order for a combination of items in excess of \$7,000,000; or

(3) A series of orders from the same ordering office within 1 day that together call for quantities exceeding the limitation in subparagraph (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 1 day 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)

(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 5 days after the contract expiration date.

(End of Clause)

252.225-7001 Buy American and Balance of Payments Program —BASIC (DEC 2017)

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

"Commercially available off-the-shelf (COTS) item"—

(i) Means any item of supply (including construction material) that is—

(A) A commercial item (as defined in paragraph (1) of the definition of "commercial item" in section 2.101 of the Federal Acquisition Regulation);

(B) Sold in substantial quantities in the commercial marketplace; and

(C) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(ii) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

"Component" means an article, material, or supply incorporated directly into an end product.

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“Domestic end product” means—

- (i) An unmanufactured end product that has been mined or produced in the United States; or
- (ii) An end product manufactured in the United States if—
 - (A) The cost of its qualifying country components and its components that are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. The cost of components includes transportation costs to the place of incorporation into the end product and U.S. duty (whether or not a duty-free entry certificate is issued). Scrap generated, collected, and prepared for processing in the United States is considered domestic. A component is considered to have been mined, produced, or manufactured in the United States (regardless of its source in fact) if the end product in which it is incorporated is manufactured in the United States and the component is of a class or kind for which the Government has determined that—
 - (1) Sufficient and reasonably available commercial quantities of a satisfactory quality are not mined, produced, or manufactured in the United States; or
 - (2) It is inconsistent with the public interest to apply the restrictions of the Buy American statute; or
 - (B) The end product is a COTS item.

“End product” means those articles, materials, and supplies to be acquired under this contract for public use.

“Foreign end product” means an end product other than a domestic end product.

“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
Latvia
Luxembourg
Netherlands
Norway
Poland
Portugal
Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom of Great Britain and Northern Ireland.

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“Qualifying country component” means a component mined, produced, or manufactured in a qualifying country.

“Qualifying country end product” means—

- (i) An unmanufactured end product mined or produced in a qualifying country; or
- (ii) An end product manufactured in a qualifying country if —
 - (A) The cost of the following types of components exceeds 50 percent of the cost of all its components:
 - (1) Components mined, produced, or manufactured in a qualifying country.
 - (2) Components mined, produced, or manufactured in the United States.
 - (3) Components of foreign origin of a class or kind for which the Government has determined that sufficient and reasonably available commercial quantities of a satisfactory quality are not mined, produced, or manufactured in the United States; or
 - (B) The end product is a COTS item.

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

(b) This clause implements 41 U.S.C chapter 83, Buy American. In accordance with 41 U.S.C. 1907, the component test of the Buy American statute is waived for an end product that is a COTS item (see section 12.505(a)(1) of the Federal Acquisition Regulation). Unless otherwise specified, this clause applies to all line items in the contract.

(c) The Contractor shall deliver only domestic end products unless, in its offer, it specified delivery of other end products in the Buy American□Balance of Payments Program Certificate provision of the solicitation. If the Contractor certified in its offer that it will deliver a qualifying country end product, the Contractor shall deliver a qualifying country end product or, at the Contractor’s option, a domestic end product.

(d) The contract price does not include duty for end products or components for which the Contractor will claim duty-free entry.

(End of clause)

252.232-7011 Payments in Support of Emergencies and Contingency Operations (MAY 2013)

(a) Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation.

(b) Notwithstanding any other payment clause in this contract, the Government will make invoice payments under the terms and conditions specified in this clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer.

(c) *Invoice payments.*

(1) *Due date.*

(i) Payment will be made as soon as possible once a proper invoice is received and matched with the contract and the receiving/acceptance report.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(2) *Contractor's invoice.* The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice should include the items listed in paragraphs (c)(2)(i) through (c)(2)(x) of this clause.

(i) Name and address of the Contractor.

(ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in

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the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.

(viii) Taxpayer Identification Number (when required). The taxpayer identification number is required for all payees subject to the U.S. Internal Revenue Code.

(ix) Electronic funds transfer banking information.

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

(B) If electronic funds transfer 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 electronic funds transfer banking information in accordance with the applicable solicitation provision (e.g., FAR 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., FAR 52.232-33, Payment by Electronic Funds Transfer—System for Award Management, or FAR 52.232-34, Payment by Electronic Funds Transfer-Other Than System for Award Management), or applicable agency procedures.

(C) Electronic funds transfer banking information is not required if the Government waived the requirement to pay by electronic funds transfer.

(x) Any other information or documentation required by the contract (e.g., evidence of shipment).

(3) *Discounts for prompt payment.* The designated payment office will take cost-effective discounts if the payment is made within the discount terms of the contract.

(4) *Contract financing payment.* If this contract provides for contract financing, the Government will make contract financing payments in accordance with the applicable contract financing clause.

(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 contract line item or subline item, if applicable; and

(D) Contractor point of contact; and

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

(d) This clause is applicable until otherwise notified by the Contracting Officer. Upon notification by issuance of a contract modification, the appropriate FAR Prompt Payment clause in the contract becomes applicable.

(End of clause)

252.246-7003 Notification of Potential Safety Issues (JUN 2013)

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

“Credible information” means information that, considering its source and the surrounding circumstances, supports a reasonable belief that an event has occurred or will occur.

“Critical safety item” means a part, subassembly, assembly, subsystem, installation equipment, or support equipment for a system that contains a characteristic, any failure, malfunction, or absence of which could have a safety impact.

“Safety impact” means the occurrence of death, permanent total disability, permanent partial disability, or injury or occupational illness requiring hospitalization; loss of a weapon system; or property damage exceeding \$1,000,000.

“Subcontractor” means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for the Contractor or another subcontractor under this contract.

(b) The Contractor shall provide notification, in accordance with paragraph (c) of this clause, of—

(1) All nonconformances for parts identified as critical safety items acquired by the Government under this contract; and

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(2) All nonconformances or deficiencies that may result in a safety impact for systems, or subsystems, assemblies, subassemblies, or parts integral to a system, acquired by or serviced for the Government under this contract.

(c) The Contractor—

(1) Shall notify the Administrative Contracting Officer (ACO) and the Procuring Contracting Officer (PCO) as soon as practicable, but not later than 72 hours, after discovering or acquiring credible information concerning nonconformances and deficiencies described in paragraph (b) of this clause; and

(2) Shall provide a written notification to the ACO and the PCO within 5 working days that includes—

(i) A summary of the defect or nonconformance;

(ii) A chronology of pertinent events;

(iii) The identification of potentially affected items to the extent known at the time of notification;

(iv) A point of contact to coordinate problem analysis and resolution; and

(v) Any other relevant information.

(d) The Contractor—

(1) Is responsible for the notification of potential safety issues occurring with regard to an item furnished by any subcontractor; and

(2) Shall facilitate direct communication between the Government and the subcontractor as necessary.

(e) Notification of safety issues under this clause shall be considered neither an admission of responsibility nor a release of liability for the defect or its consequences. This clause does not affect any right of the Government or the Contractor established elsewhere in this contract.

(f)(1) The Contractor shall include the substance of this clause, including this paragraph (f), in subcontracts for—

(i) Parts identified as critical safety items;

(ii) Systems and subsystems, assemblies, and subassemblies integral to a system; or

(iii) Repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.

(2) For those subcontracts, including subcontracts for commercial items, described in paragraph (f)(1) of this clause, the Contractor shall require the subcontractor to provide the notification required by paragraph (c) of this clause to—

(i) The Contractor or higher-tier subcontractor; and

(ii) The ACO and the PCO, if the subcontractor is aware of the ACO and the PCO for the contract.

(End of clause)

252.247-7023 Transportation of Supplies by Sea -BASIC (FEB 2019)

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

“Components” means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

“Department of Defense” (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

“Foreign-flag vessel” means any vessel that is not a U.S.-flag vessel.

“Ocean transportation” means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

“Subcontractor” means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

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“Supplies” means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) “Supplies” includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

“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)(1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if—

(i) This contract is a construction contract; or

(ii) The supplies being transported are—

(A) Noncommercial items; or

(B) Commercial items that—

(1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);

(2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that—

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of foreign-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The

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Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum—

- (1) Type, weight, and cube of cargo;
- (2) Required shipping date;
- (3) Special handling and discharge requirements;
- (4) Loading and discharge points;
- (5) Name of shipper and consignee;
- (6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of steamship company.

(f) If this contract exceeds the simplified acquisition threshold, the Contractor shall provide with its final invoice under this contract a representation that to the best of its knowledge and belief—

- (1) No ocean transportation was used in the performance of this contract;

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(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all foreign-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on foreign-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

	ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
TOTAL			

(g) If this contract exceeds the simplified acquisition threshold and the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of foreign-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) If the Contractor indicated in response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies; however, after the award of this contract, the Contractor learns that supplies will be transported by sea, the Contractor shall—

(1) Notify the Contracting Officer of that fact; and

(2) Comply with all the terms and conditions of this clause.

(i) In the award of subcontracts, for the types of supplies described in paragraph (b)(2) of this clause, including subcontracts for commercial items, the Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (i), in subcontracts that exceed the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (i), in subcontracts that are at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(End of clause)

52.252-6 -- Authorized Deviations in Clauses (Apr 1984)

(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 __N/A__. *[insert regulation name]* (48 CFR __N/A__) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the

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name of the regulation.

(End of Clause)

52.233-9001 DISPUTES - AGREEMENT TO USE ALTERNATIVE DISPUTE RESOLUTION (DEC 2016)

(a) The parties agree to negotiate with each other to try to resolve any disputes that may arise. If unassisted negotiations are unsuccessful, the parties will use alternative dispute resolution (ADR) techniques to try to resolve the dispute. Litigation will only be considered as a last resort when ADR is unsuccessful or has been documented by the party rejecting ADR to be inappropriate for resolving the dispute.

(b) Before either party determines ADR inappropriate, that party must discuss the use of ADR with the other party. The documentation rejecting ADR must be signed by an official authorized to bind the contractor (see FAR 52.233-1), or, for the Agency, by the contracting officer, and approved at a level above the contracting officer after consultation with the ADR Specialist and legal counsel. Contractor personnel are also encouraged to include the ADR Specialist in their discussions with the contracting officer before determining ADR to be inappropriate.

(c) If you wish to opt out of this clause, check here ☐ . Alternate wording may be negotiated with the contracting officer.

(End of Provision)

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.

“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.

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“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.

(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, 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 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

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

(ii) Rapidly report cyber incidents to DoD at <https://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 <https://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

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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—

(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—

(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.

252.232-7003 Electronic Submission of Payment Requests and Receiving Reports (DEC 2018)

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

“Contract financing payment” means an authorized Government disbursement of monies to a contractor prior to acceptance of supplies or services by the Government.

(1) Contract financing payments include—

(i) Advance payments;

(ii) Performance-based payments;

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- (iii) Commercial advance and interim payments;
- (iv) Progress payments based on cost under the clause at Federal Acquisition Regulation (FAR) 52.232-16, Progress Payments;
- (v) Progress payments based on a percentage or stage of completion (see FAR 32.102(e)), except those made under the clause at FAR 52.232-5, Payments Under Fixed-Price Construction Contracts, or the clause at FAR 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts; and
- (vi) Interim payments under a cost reimbursement contract, except for a cost reimbursement contract for services when Alternate I of the clause at FAR 52.232-25, Prompt Payment, is used.

(2) Contract financing payments do not include—

- (i) Invoice payments;
- (ii) Payments for partial deliveries; or
- (iii) Lease and rental payments.

“Electronic form” means any automated system that transmits information electronically from the initiating system to affected systems.

“Invoice payment” means a Government disbursement of monies to a contractor under a contract or other authorization for supplies or services accepted by the Government.

(1) Invoice payments include—

- (i) Payments for partial deliveries that have been accepted by the Government;
- (ii) Final cost or fee payments where amounts owed have been settled between the Government and the contractor;
- (iii) For purposes of subpart 32.9 only, all payments made under the clause at 52.232-5, Payments Under Fixed-Price Construction Contracts, and the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts; and
- (iv) Interim payments under a cost-reimbursement contract for services when Alternate I of the clause at 52.232-25, Prompt Payment, is used.

(2) Invoice payments do not include contract financing payments.

“Payment request” means any request for contract financing payment or invoice payment submitted by the Contractor under this contract or task or delivery order.

“Receiving report” means the data prepared in the manner and to the extent required by Appendix F, Material Inspection and Receiving Report, of the Defense Federal Acquisition Regulation Supplement.

(b) Except as provided in paragraph (d) of this clause, the Contractor shall submit payment requests and receiving reports in electronic form using Wide Area WorkFlow (WAWF). The Contractor shall prepare and furnish to the Government a receiving report at the time of each delivery of supplies or services under this contract or task or delivery order.

(c) Submit payment requests and receiving reports to WAWF in one of the following electronic formats:

- (1) Electronic Data Interchange.
- (2) Secure File Transfer Protocol.
- (3) Direct input through the WAWF website.

(d) The Contractor may submit a payment request and receiving report using methods other than WAWF only when—

- (1) The Contractor has requested permission in writing to do so, and the Contracting Officer has provided instructions for a temporary alternative method of submission of payment requests and receiving reports in the contract administration data section of this contract or task or delivery order;
- (2) DoD makes payment for commercial transportation services provided under a Government rate tender or a contract for transportation services using a DoD-approved electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System);
- (3) DoD makes payment on a contract or task or delivery order for rendered health care services using the TRICARE Encounter Data System; or
- (4) The Governmentwide commercial purchase card is used as the method of payment, in which case submission of only the receiving report in WAWF is required.

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(e) Information regarding WAWF is available at <https://wawf.eb.mil/>.

(f) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

The following additional clauses are incorporated by REFERENCE:

- 52.203-14 Display of Hotline Poster(s) (Oct 2015)
- 52.203-18 Prohibition On Contracting With Entities That Require Certain Internal Confidentiality Agreements Or Statements-Representation (Jan 2017)
- 52.203-19 Prohibition On Requiring Certain Internal Confidentiality Agreements Or Statements (Jan 2017)
- 252.203-7000 Requirements Relating To Compensation Of Former Dod Officials (SEP 2011) DFARS
- 52.204-4 Printed or Copied Double-Sided on Postconsumer Fiber Content Paper (May 2011) FAR
- 52.204-7 System for Award Management (Oct 2018)
- 52.204-9 Personal Identity Verification of Contractor Personnel (Jan 2011) FAR
- 52.227-1 Authorization and Consent (Dec 2007)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007)
- 52.204-9000 Contractor Personnel Security Requirements (Jul 2015) DLAD
- 52.204-13 System for Award Management Maintenance (Oct 2018) FAR
- 52.204-16 Commercial and Government Entity Code Reporting (Jul 2016) FAR
- 52.204-17 Ownership or Control of Offeror (Jul 2016) FAR
- 52.204-18 Commercial and Government Entity Code Maintenance (Jul 2016) FAR
- 52.204-19 Incorporation by Reference of Representations and Certifications (Dec 2014) FAR
- 52.204-20 Predecessor of offeror (JUL 2016)
- 252.205-7000 Provision Of Information To Cooperative Agreement Holders (DEC 1991) DFARS
- 52.208-9 Contractor Use of Mandatory Sources of Supply or Services (May 2014) FAR
- 252.209-7004 Subcontracting with Firms that are Owned or Controlled by the Government of a Country That
is a State Sponsor of Terrorism (May 2019) DFARS
- 252.225-7000 Buy American Act--Balance Of Payments Program Certificate —Basic (Nov 2014)
DFARS
- 252.225-7002 Qualifying Country Sources as Subcontractors (DEC 2017) DFARS
- 252.225-7012 Preference For Certain Domestic Commodities (DEC 2017) DFARS
- 252.225-7020 Trade Agreements Certificate —Basic (Nov 2014) – DFARS
- 52.232-11 Extras (APR 1984)
- 52.232-17 Interest (MAY 2014) FAR
- 52.232-39 Unenforceability Of Unauthorized Obligations (JUN 2013) FAR
- 52.242-13 Bankruptcy (Jul 1995) FAR
- 52.242-15 Stop Work Order (AUG 1989) FAR
- 252.243-7001 Pricing of Contract Modifications (Dec 1991) DFARS
- 52.249-8 Default (Fixed-Price Supply & Service) (Apr 1984) FAR
- 252.243-7002 Requests for Equitable Adjustment (DEC 2012) DFARS