

2. Amendment/Modification No.  0007	3. Effective Date	4. Requisition/Purchase Req No.  SEE SCHEDULE	5. Project No. (If applicable)  RFP
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6. Issued By  US ARMY AVIATION & MISSILE COMMAND AMSAM-AC-OS-F SAM GONZALES (256)313-5711 REDSTONE ARSENAL AL 35898-5280  EMAIL: SAMUEL.GONZALES@REDSTONE.ARMY.MIL	Code	W58RGZ	7. Administered By (If other than Item 6)	Code	
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8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)	<input checked="" type="checkbox"/>		9A. Amendment Of Solicitation No.  DAAH23-03-R-0004
			9B. Dated (See Item 11) 2003SEP03
	<input type="checkbox"/>		10A. Modification Of Contract/Order No.
			10B. Dated (See Item 13)

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. 2003DEC10 01:00pm

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:  
 (a) By completing items 8 and 15, and returning 2 signed copies of the amendments; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. Accounting And Appropriation Data (If required)**

**13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS**  
It Modifies The Contract/Order No. As Described In Item 14.

<input type="checkbox"/>	A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A.	The Changes Set Forth In Item 14 Are Made In
<input type="checkbox"/>	B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).	
<input type="checkbox"/>	C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:	
<input type="checkbox"/>	D. Other (Specify type of modification and authority)	

**E. IMPORTANT:** Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the Issuing Office.

**14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

SEE SECOND PAGE FOR DESCRIPTION

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

15A. Name And Title Of Signer (Type or print)	16A. Name And Title Of Contracting Officer (Type or print)		
15B. Contractor/Offeror	15C. Date Signed	16B. United States Of America	16C. Date Signed
(Signature of person authorized to sign)		By _____ (Signature of Contracting Officer)	

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>	<b>Page 2 of 12</b>
	PIIN/SIIN DAAH23-03-R-0004	MOD/AMD 0007

**Name of Offeror or Contractor:**

SECTION A - SUPPLEMENTAL INFORMATION

A-1 Amendment 0007 is issued to RFP DAAH23-03-R-0004 to make the changes as described below to correct erroneous information and inconsistencies in the solicitation as discovered during the evaluation phase:

(1) Section H-28 is added, "Programs of Instruction (POI) and Flight Training Guides (FTG), Attachments 37-61: Due to the obsolescence and limited access of the specific Simulator Flight Training System (SFTS) Simulators, model 2B24, commercial flight simulators may be used in lieu of specific models called out in the FTGs and POIs provided all tasks may be performed and evaluated IAW the FTGs and POIs. As previously stated by the Government, no government furnished simulators will be provided." SOW Paragraph 4.1 is amended to delete the last sentence as follows: "The Contractor shall use Simulators IAW the FTGs and POIs.

(2) Section I is amended to add FAR Clause 52.228-3, Workers Compensation Insurance (Defense Base Act) which was deleted from the initial RFP. Further research has indicated that the clause is appropriate to this requirement. The associated statements in the RFP Narrative A-16 and Section H-23 are deleted. (Please make the pen and ink changes to A-16, since this was in the original RFP narrative.)

A-2 Offerors shall demonstrate their commitment and plan to comply with this requirement of the RFP and SOW. Offerors may respond with a revised proposal as appropriate due by the response time established in this amendment below or at the time of request for final proposal revisions. Hardcopy changes may be submitted by slip sheet if labeled with the offerors name, volume and page numbers, and date of submission; CD submissions must be complete copies of volumes with revisions incorporated. The required number of copies is set forth in IAW Section L-22 of RFP. Alternatively, offerors may submit a statement that no proposal revision is submitted. In any event, all offerors shall submit a SF 30 acknowledging receipt of Amendment 7.

A-3 All submissions in response to this amendment shall be delivered to the lobby of building 5308 of the Sparkman Complex, Redstone Arsenal, AL by 1:00 p.m. on Wednesday, December 10, 2003.

\*\*\* END OF NARRATIVE A 008 \*\*\*

**Name of Offeror or Contractor:**

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

## H-3 Government Furnished Property TMDE/GFSE (FAR 52.245-2):

The list of parts available for consignment under the Parts Supply Clause of Section H attached to this RFP contains peculiar ground support equipment (PGSE) and test, measurement, and diagnostic equipment (TMDE) which will be available for the contractor's use as GFP/GFE in the performance of this contract, but which is not available for use by the contractor in the performance of other contracts or available for sale to commercial customers. The PGSE/TMDE items that the contractor identifies that he desires to have available as GFP/GFM will be separately identified in an attachment to the award document. The GFP/GFM list attached to the RFP includes UH-1 items which will not be available for consignment until after contract award. While these lists reflect the approximate current USG supply positions with respect to these items, they are shown for informational purposes only, and the USG makes no representations or warranties that any such items will in fact be available for consignment or at the quantities and/or condition code codes reflected in the list. (Changed by amendment 1)

## H-4 Changes (FAR 52.243-1; 52.243-2; 52.243-3):

The contractor should note that parts supplied under this contract will not be specially manufactured for the Government in accordance with drawings, designs, or specifications furnished by the Government. Further, the contractor is required by the Statement of Work to plan against obsolescence and other supply problems and is responsible for all source approval and selection at the subcontractor/vendor level. For these reasons, no requests for equitable adjustment will be accepted or approved for these or other supply problems, which may impact the contractor in the performance of work performed under the CSS contract.

H-5 The contractor is required to identify the commercial part number proposed in substitution of the NSN identified at the CLIN X005AA Pricing Sheet Attachments 9 and 10 to Schedule B for pricing baselining purposes only, and the contractor shall not be required to supply that NSN in the performance of the contract. Rather, the contractor shall be required to supply the commercial part most appropriate at the time of requisition, IAW paragraph 4(a) of the Parts Supply Clause at Section H-16 and the Obsolescence/DMSMS provisions of paragraph 6.5 of the SOW. (Changed by Amendment 1)

## H-6 English Language:

All deliverables, with the exception of Spanish language training, shall be in the English language unless otherwise specified in the contract or the delivery order. (Changed by amendment 1)

## H-7 OFF-SHORE PROCUREMENT: Foreign Participation IAW 22USC2791(c), Section 42(c) of the Arms Export Control Act, &amp; DOD 5105.38-M, 90210 (Security Assistance Management Manual):

The prime contractor and all team members, if any, must be incorporated in the United States. No material manufactured outside of the United States may be used in the performance of this contract (with the exception of GFP/GFM) without the express written authorization of the PCO, or as permitted or required by the delivery order. No labor may be performed outside the United States without the express written authorization of the PCO, or as permitted or required by delivery order.

## H-8 Liquidated Damages Related to Small Business Minimum Participation Factor

For minimum small business participation requirements, performance shall be measured by comparing the total actual contract dollars performed by small business concerns (total small business and in each small business subcategory) to the total obligated value of the contract. If, at contract completion, the Contracting Officer finds that the contractor failed to make a good faith effort to comply with the minimum participation requirements, the Contractor shall pay the Government the actual amount by which the contractor failed to achieve each participation requirement.

## H-9 Security requirements

(A) This effort is unclassified and access to classified material or equipment is not anticipated.

(B) Any proposed public releases of information associated with this effort should be submitted to the Procuring Contracting Officer for review and approval 30 days prior to anticipated release.

(C) Physical security requirements for the safeguard of USG and Foreign government assets are required pursuant to SOW Paragraph 18.0.

## H-10 Organizational Conflict of Interest for Protection of Proprietary Data and Exclusionary Provision

(A) It is recognized by the parties hereto that the effort to be performed by the contractor under this contract is of such a nature that it may create potential organizational conflicts of interest as contemplated by SUBPART 9.5 of the FAR.

(B) It is the intention of the parties that the contractor will not engage in any contractual activities which would cause a conflict of interest with its position under this contract which may impair its ability to render unbiased advice and recommendations or in which it may have an unfair competitive advantage as a result of the knowledge, information, and experience gained during the performance of this contract.

(C) Therefore, the Contractor agrees to enter into a written agreement with any firm whose proprietary data is used in

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>	<b>Page 4 of 12</b>
	PIIN/SIIN DAAH23-03-R-0004	MOD/AMD 0007

**Name of Offeror or Contractor:**

connection with performance of the contract to protect all proprietary information from unauthorized disclosure or use for as long as it remains proprietary; to furnish the contracting officer with executed copies of all such agreements; and, to refrain from using any proprietary information in supplying to the government goods and services or for any purpose other than that for which it was intended/furnished. The Contractor agrees that any data furnished by the Government shall be used only for performance under this contract, and all copies of such data shall be returned to the Government upon completion of the effort. Further, the Contractor agrees not to reveal to third parties any data generated and/or reported to the Government in the performance of this effort. These restrictions are not intended to protect information furnished voluntarily without limitations on its use or information generally available in the marketplace free from restricted/proprietary legends.

(D) Further, the contractor shall be ineligible to participate, in any capacity as a prime contractor, subcontractor at any tier, or consultant to a prime contractor, in government contracts, subcontracts, or proposals therefore (solicited or unsolicited) which result directly from the contractor's performance of work under this contract. This exclusion is effective during the period of performance of this contract. This exclusion may be waived by the Contracting Officer on a case-by-case basis. The Contractor further agrees not to accept requirements that would require it to analyze, review, evaluate or otherwise advise the Government regarding its own product that was prepared in performance of this contract or any other contract, in the event the Contractor is requested to perform such analysis or integration of services or supplies that would fall within this restriction, the contractor agrees to notify the Contracting Officer in writing.

(E) The Contractor will identify all relevant facts concerning any past, present, or planned interest/financial, actual, organizational or otherwise as a contractor, subcontractor, or consultant relating to the work to be performed and bearing on whether the offeror has a possible conflict of interest with respect to being able to render impartial, technically sound and objective assistance or advice.

(F) For the purpose of this clause, the term "contractor" means the contractor, its subsidiaries, and affiliates, any joint venture involving the contractor, any entity with which the contractor may hereafter merge or affiliate, or any other successor or assignee of the contractor.

(G) Should this contract be terminated in whole or in part at any time, then the above stated exclusions may be removed, at the discretion of the Contracting Officer, with respect to the terminated portion.

(H) Furthermore, the prime contractor shall incorporate an organizational conflict of interest provision into any subcontract at any level in performance of this contract. Such provision shall include at a minimum (1) protection of proprietary data and (2) exclusionary provisions such as those required by this contract.

H-11 Contractor Teaming/Joint Venture/Performance Certification

The Contractor shall identify and detail all Teaming/Joint Venture Partnership/Sub-Contracting arrangements that have been established in support of the solicitation/contract.

All work done under this contract shall be performed by either the Prime Contractor/Teaming Member/Joint Venture Partner or their Subcontractors. Prior to execution of this contract, the Contractor will provide a written certification from the Prime Contractor/Teaming Members/Joint Venture Partners guaranteeing each company's respective performance and the performance of their subcontractors under this contract.

H-12 Ordering FAR 52.216-18 (DEVIATION) OCT/1995

(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 schedule. Such orders may be issued from (date) through (date).

(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) If mailed, a delivery order or task order is considered "issued" when the government deposits the order in the mail. Orders may be issued orally, by facsimile, or be electronic commerce methods only if authorized in the schedule.

H-13 Order Limitations FAR 52.216-19 (DEVIATION) OCT/1995

(A) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than \$1,000.00, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract,

- (B) Deleted
- (C) Deleted
- (D) Deleted

**CONTINUATION SHEET****Reference No. of Document Being Continued**

Page 5 of 12

PIIN/SIIN DAAH23-03-R-0004

MOD/AMD 0007

**Name of Offeror or Contractor:**

H-14 Indefinite Quantity FAR 52.216-22 (DEVIATION)

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. DELETED. 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 (date).

H-15 Ordering Provisions for all CLINS (DEVIATION)

All requirements shall be contracted for in the following manner:

A. A task/delivery order shall be issued IAW FAR Clauses 52.216-18, 52.216-19, and 52.216-22. The first task/delivery order will be issued along with the ID/IQ basic ordering contract. As explained, the Government is under no obligation to procure any requirements beyond the minimum requirement in the initial task/delivery order. Due to the nature of the mission, there is no guarantee of an orderly or continuous flow of work or delivery orders. All delivery orders will be signed by the Contracting Officer. No work by the contractor shall be initiated prior to receipt of the delivery order.

B. The USG shall issue a separate delivery order for each FMS customer desiring to order services/supplies with the exception of common FSSP effort which shall be so identified in the delivery order.

C. Each Delivery Order shall incorporate, when appropriate, a supplemental Statement of Work (SOW) within the scope of basic SOW, tailored to specify the definitive requirements of the order.

D. For all funded O&A/NOT TO EXCEED CLINS established for a delivery order, the Contractor shall be responsible for maintaining funds control reporting and verification that sufficient funding is available to perform the work request authorization.

H-16 Parts Supply Clause

## 1. APPLICABILITY

The following clauses shall apply to all shipments under the contract.

## 2. DEFINITIONS

(a) "CAP" means contractor acquired parts.

(b) "Consumable" means an item not subject to economical recondition or repair for reuse when it becomes unserviceable (Army Source Maintenance Reliability Code Z).

(c) "Delivery incentive fee" is the fixed fee per part to which the contractor is entitled when the contractor has met the required fill rate in the previous quarter. This fee is \_\_\_ % [proposed] per part.

(d) "Demilitarization code" means the demilitarization code in accordance with DoD 4160.21-M.

(e) "Fill rate" means the percentage requisitions that are filled in their entirety and shipped within \_\_\_ [proposed] days of receipt of order during a performance period. The required fill rate shall be \_\_\_ % [proposed, but in no event less than 80%]. For example, if ten orders of ten are received and eight shipments of ten each and one shipment of five each are made within the required time frame in response to the order, a fill rate of 80% has been achieved. The fill rate achieved during each quarterly period will be used to determine whether the contractor is entitled to a delivery incentive fee for the following quarter.

(f) "Handling fee" (Fixed Burden Rate) is the fixed fee per part to which the contractor is entitled for supply parts under all parts supply CLINS with the exception of the firm fixed price (CLIN X005). This fee is \_\_\_% [proposed] per part of the cost of the part for CLIN X006AA (Cost Reimbursable) and \$\_\_\_ [proposed] per part for CLIN X004AA (Consigned) both of which will be used in satisfaction of the material requirements for maintenance (Clin X008), performance upgrades/MWO's Clin X009), engines (Clin X010 and Repair and Return (Clin X011) IAW the parts order of precedence. The "cost" of each part shall be determined IAW FAR 52.216-7; however all charges for material handling shall be reflected in the fixed handling fee and shall not be included in the "cost" of

**Name of Offeror or Contractor:**

the part by which the handling fee will be multiplied. (Changed by Amendment 1)

(g) "Performance period" means quarter.

(h) "Receipt of order" means the date on which the electronic transmission of the order or requisition from the USG to the contractor.

(i) "Reparable" means an item that can be reconditioned or economically repaired for reuse when it becomes unserviceable.

(j) "Required fill rate" means \_\_\_\_ % [proposed], the fill rate that the contractor must achieve in order to be entitled to receive a delivery incentive fee the following quarter.

(k) "Requisition" is synonymous with the term "order."

(l) "Shipment" means the date on which the contractor delivers the item(s) to the designated carrier. The "shipment date" is synonymous with the "delivery date."

(m) "Unique" parts are those that are unique to a given system, not common to any other system.

### 3. INVENTORY TRANSFER

(a) The contractor, at no additional cost to the government, shall physically transfer inventory selected by the contractor of AH-1 unique parts, including T53-L-703 engines and unique engine parts, and M65/CNITE Missile Armament System, 2.75 MM rocket management system (RMS) (but not including parts common to the UH-1 or T53-L-13B) from government to contractor storage within 60 days of contract award. The contractor shall physically transfer, at no additional cost to the government, UH-1 parts, including those common to the AH-1, and T53-L-13B parts, including those common to the T53-L-703, from government to contractor storage within 60 days of written notification from the PCO/ACO. The government will retain title to the inventory upon transfer to the contractor. The transferred inventory, except those parts identified as having a demilitarization code other than A or B in accordance with DoD 4160.21-M, may be used to satisfy both government and commercial demand. Upon requisition by the contractor for a USG part for commercial use, title will transfer to the contractor. In the case of UH-1 and T53-L-13B parts, the Contractor will be permitted to requisition USG stock, still in possession of the USG, for use in the performance of this contract; provided, however, that no such requisitioned parts shall be resold by the contractor for its commercial sales or used for other commercial purposes. (Changed by Amendment 1)

(b) Those parts having a demilitarization code other than A or B shall only be returned to the government upon requisition or properly disposed of as otherwise provided for in this contract, and may not be used by the contractor for purposes other than under this contract. All other USG-owned parts may be withdrawn from transferred inventory by the contractor and used by the contractor for uses other than under this contract, including without limitation for sales to the contractor's commercial customers. A monthly report of parts withdrawn by the contractor for uses other than under this contract shall be posted to CITIS no later than the 15th day of the following month. This report shall be in contractor format, and shall identify at a minimum the part by descriptive noun, NSN and/or part number, if applicable, quantity, date of withdrawal, and the most recent AMDF price. The contractor shall remit to the USG the most recent AMDF price of each part in the case of consumables. Repairables that are unserviceable may be withdrawn by the contractor for inventory for uses other than under this contract, although repair effort and costs shall be solely borne by the contractor. The contractor shall remit to the USG for the AMDF price of such parts based on the condition code of the part upon transfer to the contractor, IAW the provisions of DoD 7000.14-R. In the event the USG requisitions a reparable that is unserviceable, the contractor shall perform repairs to return the part to condition code A, as authorized by delivery order, before shipment. The contractor shall pay for all USG parts withdrawn from transferred inventory for commercial purposes in advance, by depositing on account a sum amounting to no less than the dollar value (as determined IAW paragraph 5(a) of this clause) of the parts estimated to be withdrawn from inventory by the contractor for one quarter. The account shall be re-funded when the sum on deposit reaches 20% (twenty percent) of the account's initial value, or at the beginning of the following calendar quarter, whichever occurs first. The contractor may adjust the dollar value on account by submitting a statement in writing to the PCO containing the new quarterly estimate, a brief explanation of change in circumstances affecting the demand, and a statement that the contractor submits the new estimate in good faith. Before withdrawing a part from inventory, the contractor shall submit to the USG (POC to be provided upon award) an electronic notification of the intent to withdraw, including the date of withdrawal, part number, NSN, nomenclature, serial number, quantity, ownership (IMMC or PM), and the dollar value of the part (as determined IAW paragraph 5(a) of this clause). The USG will then debit the contractor's account for the dollar value of the withdrawal. All funds remaining on account upon contract termination shall be refunded to the contractor, subject to an accounting of all GFP. (Changed by Amendment 1)

(c) Within 14 days of contract award, the government will provide the contractor with a finalized list of USG-owned AH-1, T53-L-703, M65/CNITE, and 2.75 MM rocket management system (RMS) parts available for transfer. Within 30 days of ceasing centralized item management functions for UH-1H/V and T-53-L-13B parts, the government will provide the contractor a finalized list of USG-owned UH-1H/V and T-53 parts available for transfer. The contractor shall bear the responsibility for verifying these lists and selecting parts for transfer before incorporating the parts into its inventory, and shall be solely responsible for ascertaining and determining the acceptability of such parts in all respects, including without limitation the part number, condition, currency (for example, the revision to which the part was manufactured or the quality standard under which it was manufactured), quality, hours of use or hours remaining before overhaul, and remaining shelf-life. Provided, however, that a USG representative shall be present at the transfer of such parts, and no parts may be transferred without the concurrence of the representative in the inventory. While the contractor shall bear no responsibility with respect to such parts when requisitioned by the USG (except with respect to the proper maintenance, storage, and safeguarding such parts under FAR Part 45), the USG shall bear no responsibility with respect to the contractor's use of such parts either for its own uses or for sale to its commercial customers, and disclaims all warranties, express or implied, including without limitation those with respect to merchantability, course of dealing, usage of

**CONTINUATION SHEET****Reference No. of Document Being Continued**

Page 7 of 12

PIIN/SIIN DAAH23-03-R-0004

MOD/AMD 0007

**Name of Offeror or Contractor:**

trade, or fitness for any particular purpose. The contractor agrees that any parts withdrawn by it for uses other than under this contract shall be at his own risk, and that the sale of such parts is "as is." The contractor shall be responsible for and bear the expense of loss or repairs required after removal of the parts from USG warehouses, except for reparable received in unserviceable condition as provided in paragraph (b) above. No Supply Discrepancy Reports of Economic Cost of Damage Reports will be accepted with respect to parts taken under contractor control pursuant to this clause. The contractor shall maintain a record of the transfer of the inventory, and a copy of such record and written acceptance of the inventory (DD 1149) shall accompany shipment of the parts from USG custody. Upon completion of the 60 day transition period after contract award, the contractor shall be responsible for meeting all contract requirements with respect to parts supply, regardless of the status of transfers of USG-owned parts, if any.

(d) The contractor shall not commingle government and contractor stock. The contractor shall be responsible and accountable for all government stock accepted into inventory, which shall be physically separately maintained, and the contractor shall account for all serialized parts by part number. All documentation transferred with USG parts (including without limitation FSCAP, demilitarization code, and condition code tags) shall be maintained and preserved by the contractor and transferred with such parts to the ultimate owner upon requisition either by the USG or the contractor for commercial use. The contractor shall provide for the preservation, protection, maintenance, and repair of the USG parts in accordance with sound commercial practices. The provisions of FAR Part 45 are applicable to this inventory except to the extent that they specifically conflict with the provisions of this clause. The contractor shall maintain a current accountable inventory of transferred USG stock. This inventory may be maintained electronically, provided the information is backed up in accordance with sound commercial practices. Such inventory shall be maintained and updated continuously, and shall be accessible to the USG via web in a "real time" manner via CITIS, as otherwise required in this contract. Further, the contractor shall develop and maintain a system whereby the USG may order parts electronically via web-based CITIS, as otherwise required in this contract. Orders may be placed in this manner whether for USG owned parts or CAP.

(e) The contractor may identify to the government furnished inventory that could be regarded as excess due to expiring shelf life, obsolescence, or other reasons. If the contracting officer concurs, upon direction of the PCO/ACO, the contractor shall dispose of such parts in accordance with FAR 45.610 and FAR 45.611.

**4. FILL RATES**

(a) As USG stocks are depleted, or immediately in the case of items for which there was no pre-existing USG stock or stock that has not yet been approved for transfer pursuant to paragraph 3 above, the contractor shall provide CAP as necessary to maintain contractual fill rates as required in this clause. For parts for which there is no commercial equivalent, contractor may use former government surplus as provided or if not obtainable within parameters, through CAP with substantially same form, fit or function. All UH-1 parts are exempted from fill rates until government stock is consigned approximately October 2004. The USG may continue to requisition USG UH-1 stock through the Army supply system through at least September 2004. (Changed by Amendment 1) With the exception of parts supplied IAW paragraph 4(b) below, all CAP parts shall be OEM or FAA certified (which may include PMA parts manufactured in the US by a firm incorporated in the US, but shall not include parts manufactured in a foreign country and/or by a firm incorporated in a foreign country without the express authorization of the Contracting Officer) for use on the BHTI 204, 205, or 212, and T53 engine or commercial equivalent engines, and all shall bear a commercial part number, and be equivalent to the NSN identified in the attachment to Section B of the contract in form, fit and function. (Changed by Amendment 2) The contractor shall be solely responsible for the selection of such substitute parts, including the approval and selection of subcontractors and vendors, and shall make such selections using a best value judgment taking into consideration quality, cost (with respect to CAP O&A), and other appropriate factors. The contractor is required by the contract to proactively plan against obsolescence and other supply problems which may impact the contractor's performance under this contract. With the exception of parts supplied in accordance with paragraph 4(b) below, in the case of consumables, all CAP shall be new and unused, shelf-life compliant. With the exception of parts supplied in accordance with paragraph 4(b) below, in the case of reparable, all CAP shall be either new and unused, or repaired/overhauled to condition code A.

(b) The contractor may supply former government surplus in the performance of this contract, subject to the following conditions:

- (i) The contractor shall evaluate any such parts to ensure that such parts:
- \*are actually former government surplus parts
  - \*are contained in the original, undamaged packaging
  - \*were never identified as Condition Code H, Condemned
  - \*were manufactured in accordance with QE Std 1 (or equivalent quality system as previously approved by the USG in the case of parts manufactured by Honeywell) and if repaired or overhauled, were repaired or overhauled in accordance with QE Std 2
  - \*are shelf-life compliant, if applicable
  - \*have not corroded, or if containing deteriorable parts or components (such as rubber or grease), such parts have not deteriorated
  - \*have not experienced any other damage, defects, or deterioration in the course of storage or transportation since the parts left US custody
  - \*have never been subject to any QDRs or other form of quality defect report or record
  - \*if serialized (by a contractor not under the USG SNRR program), do not have serial numbers that duplicate serial numbers of parts condemned by the USG

**CONTINUATION SHEET****Reference No. of Document Being Continued**

Page 8 of 12

PIIN/SIIN DAAH23-03-R-0004

MOD/AMD 0007

**Name of Offeror or Contractor:**

(ii) The contractor shall be solely responsible for obtaining and examining any contracts required for such evaluations, and for any inspections or testing required for such evaluations, and shall solely bear any expense for such evaluations.

(iii) The contractor shall give the USG notice via CITIS concurrently with the shipment of any former government surplus parts that such part or parts have been supplied under this contract.

(iv) With the notice of shipment of former government surplus parts, the contractor shall make a certification that an evaluation of such parts has been performed in accordance with paragraph 4(b)(i) above, and that the contractor warrants that said parts are compliant with all conditions as required above.

(v) In the event that the contractor is unable to make the required certification with respect to any part for any reason, including without limitation the physical inability or the impracticability of inspections or testing, then the contractor shall not supply such parts in the performance of this contract.

(c) The contractor shall maintain no less than the required fill rate for any and all USG-owned parts requisitioned under CLIN X004AA. A fill rate of less than this is determined to be an unacceptable level of performance, and if the calculated fill rate for two successive periods falls below this level, the government may terminate the contract for default. The contractor is entitled to the handling fee per part for parts ordered under this CLIN. The requisition of reparable parts that were received from the USG in unserviceable condition shall be excluded from the fill rate calculations.

(d) The contractor shall maintain no less than the required fill rate for any and all CAP parts ordered under CLIN X005AA, Fixed Price CAP. A fill rate of less than this is determined to be an unacceptable level of performance, and if the calculated fill rate for two successive periods falls below this level, the government may terminate the contract for default. Achievement of this fill rate for any one period entitles the contractor to the delivery incentive fee per part under CLIN X005AA for the following quarter.

(e) For parts ordered under CLIN X006, Cost Reimbursable CAP, the delivery schedule and price will be subject to negotiation; provided, however, that within 2 business days of receipt of an order for said parts, the contractor shall respond electronically (through CITIS) with a price quote and availability (estimated delivery date). The contractor is entitled to the handling fee for parts ordered under this CLIN.

(f) The contractor is entitled to the handling fee for parts requisitioned by the USG under all CLINS other than ( ) firm fixed price CAP (CLIN X005). The contractor is not entitled to delivery incentive fee for the delivery of parts ordered under any CLINS other than as specifically addressed in this clause. (Changed by Amendment 1)

(g) The fill rates for USG-owned parts and CAP parts ordered under CLIN X005 will be calculated separately on a quarterly, cumulative basis for all orders received in the quarterly reporting period, beginning upon completion of the 60 day transition period as otherwise provided for in this contract. The contractor shall calculate the fill rates for the preceding quarter and shall provide the calculated fill rates and the date on which these calculations were based by posting to CITIS no later than the end of the first calendar month following the quarter, and thereafter in the same manner, for USG review. If the contractor achieves the required fill rate in order to receive the delivery incentive fee for each part ordered or requisitioned the following quarter, the incentive shall be applied beginning two calendar months after completion of the reporting period, so that the reporting period and incentive period will be rolling quarters separated by two months. Complete records of the on-time fill rates shall be maintained by the contractor and made available for government review and inspection upon demand.

**5. FINANCIAL OBLIGATIONS**

(a) The contractor acknowledges and agrees that by acceptance of USG property, the contractor is liable for returning either the consigned part replacement part, as provided above, or payment equaling the most recent AMDF price of the part in the case of consumables, or payment equaling the most recent AMDF price as adjusted for the condition code in accordance with the provisions of DoD 7000.14-R in the case of reparable parts, notwithstanding any accident, loss, or damage, regardless of fault or lack thereof (with the exception of excess property disposed of through FAR Part 45 as provided above). The contractor may fulfill this obligation on subsequent contracts with the government upon the written mutual agreement of the parties.

(b) In the event that funds are obligated on the contract in advance of orders or requisitions placed for parts, the contractor shall track the funds remaining available on a continuous basis, by delivery order, country, CLIN and SLIN, and shall notify the USG when the level of funding reaches 20% of the original obligated amount. Once the 20% ceiling is met, the contractor shall not be authorized to fill any orders or perform any other work to be invoiced off these funds unless specifically authorized by the PCO/ACO or new funds are obligated on the contract with respect to that specific country, CLIN, and SLIN.

H-17 OVER-AND-ABOVE WORK (Applicable to CLIN(s) X008AD; X009AA; X0010; X011; & X015 "Over & Above")

The Contractor may be required to perform Over and Above (O&A, hereafter) Work for Maintenance and Engine Overhaul and Repair. In accordance with DFARS 252.217-7028, "Over and Above Work", Section I, herein, and subject to funding limitations under the referenced CLIN(s) established in Section B, the following procedures are established:

**Name of Offeror or Contractor:**

(a) Authorization to Proceed/Bill of Material/Rough Order of Magnitude (BOM & ROM): The Contractor is NOT authorized to proceed with items ordered under O&A without prior approval from the Contracting Officer. Authorization to proceed must be in writing. Verbal authorization by the Contracting Officer may be given in an emergency situation but shall be confirmed in writing by the Contracting Officer within fifteen (15) working days from the date of issuance. The Contractor shall notify the PCO/ACO if the written authorization is not received within fifteen (15) working days.

(b) Work Requests are required for work performed under the referenced CLIN(s). Each Work Request shall be a stand-alone document serially numbered beginning with the number one. Subsequent changes to Work Requests shall be identified by using the original Work Request number followed by an alphabetic designator beginning with "A". If more than one change is made, the alphabetic designator shall be consecutive. The Contractor shall certify thereon that the work is not covered by the basic fixed-price effort or under any other contract CLIN. The Contractor shall prepare Work Requests in a uniform format acceptable to and approved by the PCO. The Contractor shall submit the Work Request to the Government Representative. Upon request of the PCO, the Contractor shall also prepare consolidated Work Requests covering previously approved work.

(c) Over and Above Work Requests

(1) Procedures: When effort is required under the referenced CLIN(s), the Contractor shall promptly notify the Contracting Officer through the on-site QAR. Upon such notification, the Contracting Officer will issue an authorization and establish a limitation on funds to be expended. The Contractor shall not exceed this funding limitation unless and until the amount is expressly modified by the Contracting Officer. Upon receipt of the authorization from the Contracting Officer, the Contractor shall proceed with performance as provided by this work request authorization and contract terms. The Contractor shall not proceed without this authorization.

(2) Work Request Format: The Contractor shall submit separate Work Requests for work to be performed under individual CLIN(s). Work Requests shall contain, as a minimum, the following information:

- a. Aircraft identification
- b. Date prepared
- c. Work Request number
- d. How Malfunctioned
- e. When discovered
- f. Action taken
- g. Work area/Station (when applicable)
- h. Work zone (when applicable)
- i. Aircraft station (when applicable)
- j. CLIN/SubCLIN
- k. CLIN units
- l. Narrative description of defect
- m. Proposed man-hours
- n. Part numbers and quantity
- o. Proposed corrective action with criteria for performance(i.e., technical publication paragraph)
- p. Operations breakdown with number of man-hours per step when proposed man-hours are 8 or more
- q. Cost breakout by: materials, labor, other direct cost-FFP, other direct cost reimbursable
- r. Repair schedule/ time frame

(d) Definitization Of Work Requests:

The Contracting Officer will definitize Work Requests based on labor hours multiplied by the FFP composite labor rate cited in Section B for the applicable CLIN. The number of labor hours required will be negotiated between the prime Contractor and the Contracting Officer. Labor hours are defined as the labor hours performed by the personnel actually engaged in the direct performance of work required. This labor does not include any labor performed, for example, by administrative, support or supervisory personnel, such as, but not limited to, timekeepers, payroll clerks, purchasing, material handling, quality control, storing and issuing personnel. (Changed by Amendment 03) Quality control personnel are those persons who apply standards to finished work or products to determine that finished production work is serviceable in all respects. Direct parts and materials, and travel and per diem (authorized in advance by the Government), required to perform the Over & Above work shall be reimbursed under O&A CLINs, as applicable. Failure to agree upon total allowable, allocable price shall be subject to the "Disputes" clause of this contract. The Contracting Officer will prepare and execute a bilateral contract modification for approved, definitized Work Requests, and forward two (2) copies of the resulting modification to the Contracting Officer.

(e) At any time during the contract performance, when sufficient data becomes available on a repetitive task being performed in the fixed hourly rate category, either the Contractor, the Contracting Officer may request a negotiation to establish a firm-fixed-price (fixed-price item) for that item for the remaining life of the contract. All such changes will be made to the contract by the PCO.

**Name of Offeror or Contractor:**

(f) Authority To Negotiate: The Contractor shall provide the Contracting Officer a list of names of individuals authorized to bind the company and specify the limitations of their authority. This list shall reflect the information provided in Section K, herein, FAR clause 52.215-11, "Authorized Negotiators". It is the Contractor's responsibility to keep this list current.

H-18 No technical data, government services, hardware, equipment, special tooling not specifically identified as such in the contract will be provided as Government Furnished Property/Equipment/Information. No provisions are made in the Solicitation to provide property/equipment/information other than selected Government stock to be consigned and country specific aircraft configuration data as required, and the T53 DMWR. No provisions are in the Solicitation to furnish the UH1 Aircraft required for the UH1 training requirements in SOW Section 14 as GFP.

H-19 The Contractor shall provide all products, technical and other data, services, and facilities required for the full performance of the contract requirements.

H-20 Commercial Support Services (CSS) Transition

During the period from the date of contract award of the first performance period in Delivery Order 0001, The Contractor will perform Transition Activities IAW the proposed Transition Plan (as provided by the successful Offeror and incorporated into the contract as an attachment at award). The Contractor shall be paid upon a successful demonstration of transition activities IAW the Transition Plan. Any recurring transition expenses shall be included in the Contractor's firm fixed pricing, as appropriate.

H-21 Ground And Flight Risk Clause (DFARS 252.228-7001) and Army Regulation 95-20 apply to FMS Country Aircraft and contractor operations unless otherwise specified by the Delivery Order.

H-22 OFF-SHORE PROCUREMENT: Foreign Participation IAW 22USA2791(c), Section 42(c) of the Arms Export Control Act, & DOD 5105.38-M, 90210 (Security Assistance Management Manual):

The prime contractor and all team members, if any, must be incorporated in the United States. No material manufactured outside of the United States may be used in the performance of this contract (with the exception of GFP/GFM) without the express written authorization of the PCO, or as permitted or required by the delivery order. No labor may be performed outside the United States without the express written authorization of PCO, or as permitted or required by delivery order.

H-23 Narrative Deleted. (Changed by Amendment 7)

H-24 The contractor is responsible for accounting for costs appropriately and for maintaining records, including supporting documentation, adequate to demonstrate that costs claimed have been incurred, are allocable to the contract, and comply with applicable cost principles. The contracting officer may disallow all or part of a claimed cost which is inadequately supported

H-25 Minimum Small Business Participation Requirements

In performance of this contract, the contractor shall ensure that a minimum of 30% of the total obligated value is performed by small business concerns. Within this total small business requirement, the following participation levels shall be set:

Small Disadvantaged Business	10%
HUBZone Small Business	1%
Service Disabled Veteran Owned Small Business	1%

Actual participation data (i.e., total small business participation amount and actual amounts per the subcategories set forth in paragraph A above) shall be submitted in writing to the Contracting Officer semi-annually from the date of contract award. If, at any time during contract performance, the Contracting Officer determines that small business participation levels are not being maintained at or within reasonable proximity of the above minimum requirements, the contractor shall be required to submit a plan for reallocating resources in a manner that will ensure the minimum requirements will be met. The reallocation plan shall be submitted not later than 15 days after notice from the contracting officer and implementation shall begin within 20 days thereafter.

H-26 52.242-4702 Technical Liaison and Surveillance Clause JUN/1997

Performance by the Contractor of the functional aspects of the delivery/task orders awarded under this contract shall be under the cognizance of the Contracting Officer's Representative (COR)/Technical Monitor. All functional liaison and functional surveillance of the contractor, within the scope of this contract, will be furnished by THE COR/Technical Monitor, or his authorized representative. Communication of functional matters pertaining to this contract shall be directly between the Contractor and the US Army Aviation and Missile Command, Security Assistance Management Directorate (SAM), AMSAM-SA/ATTN: COR/ Technical Monitor, Redstone Arsenal, AL 35898, with a copy of such correspondence to the ACO and PCO.

The above clause is governed by the following:

No change in the scope or within the scope of this contract, or delivery/task orders awarded under this contract, which would effect a change in any term or provision of this contract shall be made except by a modification executed by the Contracting Officer. The Contractor is responsible to insure that all contractor personnel are knowledgeable and cognizant of this contract

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  PIIN/SIIN DAAH23-03-R-0004                      MOD/AMD 0007	<b>Page 11 of 12</b>
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**Name of Offeror or Contractor:**

provision. Changes to delivery/task orders effort accepted and performed by contractor personnel outside of the contract without specific authorization of the Contracting Officer shall be the responsibility of the Contractor.

H-27. Rent-Free Use of Government Owned Property

No Government Furnished Property (GFP) shall be proposed other than that identified in the RFP with the exception of public-private partnerships under 10 USC Section 2474, which applies to depots designated as Centers of Industrial and Technical Excellence under the statute.

H-28. Programs of Instruction (POI) and Flight Training Guides (FTG), Attachments 37-61: Due to the obsolescence and limited access of the specific Simulator Flight Training System (SFTS) Simulators, model 2B24, commercial flight simulators may be used in lieu of specific models called out in the FTGs and POIs provided all tasks may be performed and evaluated IAW the FTGs and POIs. As previously stated by the Government, no government furnished simulators will be provided." "SOW Paragraph 4.1 is amended to delete the last sentence as follows: "The Contractor shall use Simulators IAW the FTGs and POIs." (Added by Amendment 7)

\*\*\* END OF NARRATIVE H 002 \*\*\*

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**CONTINUATION SHEET****Reference No. of Document Being Continued****Page 12 of 12****PIIN/SIIN** DAAH23-03-R-0004**MOD/AMD** 0007

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**Name of Offeror or Contractor:**

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## SECTION I - CONTRACT CLAUSES

<u>Status</u>	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
I-1 ADDED	52.228- 3	WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)	APR/1984

PIIN/SIIN DAAH23-03-R-0004

MOD/AMD 0007

SECTION I - CONTRACT CLAUSES

ADDED IF0270 52.228- 3 01-APR-1984 WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)