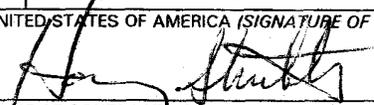


SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30				1. REQUISITION NUMBER	PAGE 1 OF 88
2. CONTRACT NO. SPM3S1-07-D-Z193	3. AWARD/EFFECTIVE DATE 1/23/07	4. ORDER NUMBER	5. SOLICITATION NUMBER SPM300-05-R-7000	6. SOLICITATION ISSUE DATE 05/19/2005	
7. FOR SOLICITATION INFORMATION CALL: a. NAME Carol A. DePrisco			b. TELEPHONE NUMBER (No collect calls) 215-737-3833		8. OFFER DUE DATE/ LOCAL TIME
9. ISSUED BY Defense Supply Center Philadelphia Directorate of Subsistence, Bldg 6 700 Robbins Avenue Philadelphia, PA 19111-5092		CODE SP0300	10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> EMERGING SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> 8(A) NAICS: 311999 SIZE STANDARD: 1000		
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS .25% 10 days		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) <input checked="" type="checkbox"/>		13b. RATING DC C1
15. DELIVER TO Defense Depot Tracy, Directorate of Distribution 25600 Chrisman Road, Tracy, CA 95376-5340		CODE W62G2T	16. ADMINISTERED BY Defense Supply Center Philadelphia, Directorate of Subsistence 700 Robbins Avenue, Philadelphia, PA 19111		
17a. CONTRACTOR/OFFEROR AmeriQual Group, LLC d/b/a AmeriQual Packaging 18200 Highway 41 North Evansville, IN 47725 TELEPHONE NO. 812-867-1444		CODE 08KAO FACILITY CODE	18a. PAYMENT WILL BE MADE BY DFAS-Columbus Center DFAS BVDP P. O. Box 369031 Columbus, OH 43236-9031		
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER		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
	This is an Indefinite Quantity Type Contract for Various Polymeric Traypack Ration Items for the United Group Rations Heat and Serve Program (UGR H&S) Effective Period of Base Year : Date of Award thru 28 February 2008 <i>(Use Reverse and/or Attach Additional Sheets as Necessary)</i>				
25. ACCOUNTING AND APPROPRIATION DATA BX:97X4930 5CBX 001 2630 S33189			26. TOTAL AWARD AMOUNT (For Govt. Use Only) 15,296,203.40 Base Yr Max Value		
<input checked="" type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA		<input checked="" type="checkbox"/> ARE		<input type="checkbox"/> ARE NOT ATTACHED	
<input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA		<input checked="" type="checkbox"/> ARE		<input type="checkbox"/> ARE NOT ATTACHED	
<input type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED			<input checked="" type="checkbox"/> 29. AWARD OF CONTRACT: REF. Amend 1-15 OFFER DATED 1/19/07 bafo 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		31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
30b. NAME AND TITLE OF SIGNER (Type or print)	30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (Type or print) HARRY STREIBICH		31c. DATE SIGNED 23 JAN 07	

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS--SF 1449 Cont.

I. SCHEDULE OF SUPPLIES, SERVICES AND PRICES (BLOCKS 19-24)

A, GENERAL INFORMATION

1. The Government has entered into multiple indefinite quantity contracts (IQCs) to supply polymeric traypack component items, and to establish an industrial base that is sufficient to satisfy the Government's requirements for these items in the event of a national crisis or mobilization.
2. The Government has evaluated contractor submitted prices for the base and option periods. The Government added the total price for the options to the total price for the base ordering period IAW 52.217-9P13 Evaluations of Options. The Government's evaluation was based upon the minimum annual quantities.
3. The Government has evaluated and determined the reasonableness of prices for the base period and each option period; and has made an award of both primary and secondary items for the base year only. Option prices could not be determined to be fair and reasonable.
4. The Government has made multiple awards for each item, in order to have a second contract supplier in the event any contractor is unable or unavailable to supply an award item(s). In order to satisfy contract IQC Minimums, and focus the contractor's efforts on items which may actually be ordered, items will be classified on the contract as "primary" or secondary" items. A primary item on any contract shall be an item awarded to that contractor based on its proposal being considered by the Government to represent the best value for that item, in accordance with 52.212-2 Evaluation - Commercial Items. A secondary item shall be an item for which a different contractor has been determined to represent the best value. The Government's intent is to place delivery orders for contract primary items only.
5. Contractors shall be required to submit First Articles and make deliveries for primary items in accordance with contract First Article provisions and 52.216-9P06, Delivery order Limitations, of the contract.
6. Contractors shall be required to submit First Articles, and make subsequent deliveries for secondary items, in accordance with contract First Article provisions and clause 52.216-9P06, only upon written direction and order of the Contracting Officer.

B. 52.217-9P16 Effective Period of Contract

The effective period of the contract is as follows:

Base Year: Date of award through 28 February 2008

See contract clauses 52.216-18, Ordering and 52.216-22, Indefinite Quantity for ordering and delivery periods.

C. MINIMUM/MAXIMUM QUANTITIES

The minimum contract quantity, under contract clause 52.216-22, Indefinite Quantity, shall be 80% of the sum of the individual estimated quantities of only the primary items awarded.

The maximum contract quantity, under contract clause 52.216-22, Indefinite Quantity shall be 200% of the sum of the individual estimated quantities of all contract line items, i.e. the primary items and secondary items awarded."

The quantities shown in the schedule represent the minimum quantities to be ordered for each destination over the Base Year and Option Years 1 thru 4.. The government is only obligated to purchase the minimum quantity.

NOTE: Line Items with an estimated quantity of zero are included for purposes of representing the unit price for that particular item for that particular destination in the event the Government issues delivery order(s) for those items for that destination. The Government reserves the right to order such items during the contract periods at the proposed and accepted prices herein and in accordance with Clause 52.216-9P06, Delivery Order Limitations.

SUPPLIES OR SERVICES AND PRICES

BASE YEAR QUANTITIES AND PRICES

The effective period of the base years is from Date of Award 28 February 2008.

Primary Items

129,687 Trays \$2,530,198

Chicken Breast in Gravy, NSN:8940-01-445-5737						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr u/P	Total \$Value
2	DD Tracy	Dest	Each	9,715	\$29.9302	290,771.8930
Pasta and Sausage, NSN:8940-01-517-9823						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
5	DD Tracy	Dest	Each	5,198	\$18.1100	94,135.7800
Mashed Potatoes, NSN: 8940-01-471-6856						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
6	DD Tracy	Dest	Each	7,674	\$11.9025	\$91,339.7850

Apple Dessert, NSN: 8940-01-455-1876						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
7	DD Tracy	Dest	Each	22,566	\$11.4249	\$257,814.2934
Beans w/Rice, NSN: 8940-01-519-0200						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
8	DD Tracy	Dest	Each	3,855	\$11.0000	\$42,405.0000
Chicken Lemon Pepper, NSN: 8940-01-517-9875						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
10	DD Tracy	Dest	Each	0	\$32.5843	\$0.0000
Rice, White, NSN: 8920-01-445-5736						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
11	DD Tracy	Dest	Each	578	\$9.0202	\$5,213.6756
Cherry Dessert, NSN: 8940-01-455-1870						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
12	DD Tracy	Dest	Each	0	\$14.0175	\$0.0000
Chili w/Beans, NSN: 8940-01-470-3190						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
13	DD Tracy	Dest	Each	1,802	\$15.3000	\$27,570.6000
Stuffing, Cornbread NSN: 8920-01-517-9881						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
16	DD Tracy	Dest	Each	7,524	\$17.0741	\$128,465.5284
Macaroni and Cheese, NSN: 8940-01-518-9544						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
17	DD Tracy	Dest	Each	2,758	\$12.8107	\$35,331.9106

Spaghetti w/Meatballs, NSN:8940-01-455-1880						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
19	DD Tracy	Dest	Each	5,484	\$18.2331	\$99,990.3204
Meatballs in Gravy, NSN: 8940-01-455-1873						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
20	DD Tracy	Dest	Each	0	\$21.5000	\$0.0000
Pork, Sw & Sour, NSN: 8940-01-504-4246						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
22	DD Tracy	Dest	Each	2,618	\$19.7545	\$51,717.2810
Rice, Brown, NSN: 8920-01-537-0568						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
23	DD Tracy	Dest	Each	8,024	\$13.1000	\$105,114.4000
Ham Slices, NSN: 8905-01-446-0215						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
25	DD Tracy	Dest	Each	36,778	\$24.1457	\$888,030.5546
Chicken, Szechwan, NSN: 8940-01-527-5894						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
27	DD Tracy	Dest	Each	3,507	\$20.5000	\$71,893.5000
Rice Pilaf, NSN: 8920-01-526-4909						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
28	DD Tracy	Dest	Each	0	\$10.3000	\$0.0000
Turkey Cutlets, NSN: 8940-01-529-6641						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
31	DD Tracy	Dest	Each	11,606	\$29.3300	\$340,403.9800

Secondary Items

204,341 Trays \$3,588,283

Cream Ground Beef, NSN:8940-01-455-4609						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
1	DD Tracy	Dest	Each	30,762	\$17.1400	\$527,260.6800
Blueberry Dessert, NSN:8940-01-455-1872						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
3	DD Tracy	Dest	Each	19,283	\$15.4134	\$297,216.5922
Pork Sausage Links, NSN:8905-01-455-3547						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
4	DD Tracy	Dest	Each	15,877	\$21.0832	\$334,737.9664
Potatoes w/Cheese, NSN:8940-01-518-9217						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
14	DD Tracy	Dest	Each	53,262	\$16.2500	\$865,507.5000
Pork Sausage Gravy, NSN:8940-01-470-3204						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
15	DD Tracy	Dest	Each	21,455	\$16.4500	\$352,951.2000
Mashed Pot w/Chicken Gravy, NSN: 8940-01-504-4258						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
21	DD Tracy	Dest	Each	0	\$15.2500	\$0.0000
Corn Beef Hash. NSN:8940-01-455-3548						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
24	DD Tracy	Dest	Each	29,578	\$21.5238	\$636,630.9564
Beef Taco Filling, NSN:8940-01-529-6637						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
29	DD Tracy	Dest	Each	4,530	\$23.6100	\$106,953.3000

Beef Burgundy, NSN:8940-01-529-6635						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
30	DD Tracy	Dest	Each	8,324	\$18.5200	\$154,160.4800

Chili Macaroni, NSN:8940-01-529-6844,						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
32	DD Tracy	Dest	Each	21,270	\$14.7100	\$312,881.7000

The contract minimum quantity awarded for the base year of this contract is based on primary items only.
 The contract maximum quantity awarded for the base year of this contract is based on both primary and secondary items.

Primary Items	Total Minimum Quantity	129,687Trays
Secondary Items	Total Minimum Quantity	204,341 Trays
Primary & Secondary	Total Maximum Quantity	835,070 Trays

Primary Items	Total Minimum \$Value	\$ 2,530,198
Secondary Items	Total Minimum \$Value	\$ 3,588,283
Primary & Secondary Items	Total Maximum \$Value	\$15,296,203

OPTION YEAR 1 QUANTITIES AND PRICES

The effective period of Option Yr 1 is 01 March 2008 thru 28 February 2009.

Primary Items

145,976 Trays \$2,546,979.00

Chicken Breast in Gravy, NSN:8940-01-445-5737						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr u/P	Total \$Value
2	DD Tracy	Dest	Each	10,286	\$29.9971	\$308,550.1706
Pasta and Sausage, NSN:8940-01-517-9823						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
5	DD Tracy	Dest	Each	10,286	\$18.2025	\$187,230.9150
Mashed Potatoes, NSN: 8940-01-471-6856						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
6	DD Tracy	Dest	Each	5,143	\$12.0061	\$61,747.3723
Apple Dessert, NSN: 8940-01-455-1876						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
7	DD Tracy	Dest	Each	13,866	\$11.5364	\$159,963.7224
Beans w/Rice, NSN: 8940-01-519-0200						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
8	DD Tracy	Dest	Each	5,143	\$11.099	\$57,086.7857
Chicken Lemon Pepper, NSN: 8940-01-517-9875						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
10	DD Tracy	Dest	Each	3,429	\$32.6605	\$111,992.8545
Rice, White, NSN: 8920-01-445-5736						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
11	DD Tracy	Dest	Each	20,527	\$9.0956	\$186,705.3812
Cherry Dessert, NSN: 8940-01-455-1870						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
12	DD Tracy	Dest	Each	3,429	\$14.1678	\$48,581.3862

Chili w/Beans, NSN: 8940-01-470-3190						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
13	DD Tracy	Dest	Each	5,143	\$15.3870	\$79,135.3410
Stuffing, Cornbread NSN: 8920-01-517-9881						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
16	DD Tracy	Dest	Each	5,143	\$17.2176	\$88,550.1168
Macaroni and Cheese, NSN: 8940-01-518-9544						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
17	DD Tracy	Dest	Each	5,143	\$12.9385	\$66,542.7055
Spaghetti w/Meatballs, NSN:8940-01-455-1880						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
19	DD Tracy	Dest	Each	10,286	\$18.3201	\$188,440.5486
Meatballs in Gravy, NSN: 8940-01-455-1873						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
20	DD Tracy	Dest	Each	5,143	\$21.5491	\$110,827.0213
Mashed Pot w/Chicken Gravy, NSN: 8940-01-504-4258						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
21	DD Tracy	Dest	Each	5,143	\$15.4007	\$79,205.8001
Pork, Sw & Sour, NSN: 8940-01-504-4246						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
22	DD Tracy	Dest	Each	3,429	\$19.8351	\$68,014.5579
Rice, Brown, NSN: 8920-01-537-0568						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
23	DD Tracy	Dest	Each	5,143	\$13.2368	\$68,076.8624
Ham Slices, NSN: 8905-01-446-0215						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
25	DD Tracy	Dest	Each	13,866	\$24.1993	\$335,547.4938

Chicken, Szechwan, NSN: 8940-01-527-5894						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
27	DD Tracy	Dest	Each	1,714	\$20.6142	\$35,332.7388
Rice Pilaf, NSN: 8920-01-526-4909						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
28	DD Tracy	Dest	Each	5.143	\$10.3968	\$53,470.7424
Turkey Cutlets, NSN: 8940-01-529-6641						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
31	DD Tracy	Dest	Each	8,571	\$29.3988	\$251,977.1148

Secondary Items

110,702 Trays \$1,986,262

Cream Ground Beef, NSN:8940-01-455-4609						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
1	DD Tracy	Dest	Each	13,866	\$17.2173	\$238,735.0818
Blueberry Dessert, NSN:8940-01-455-1872						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
3	DD Tracy	Dest	Each	13,866	\$15.4870	\$214,742.7420
Pork Sausage Links, NSN:8905-01-455-3547						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
4	DD Tracy	Dest	Each	13,866	\$21.1368	\$293,082.8688
Potatoes w/Cheese, NSN:8940-01-518-9217						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
14	DD Tracy	Dest	Each	20,800	\$16.4012	\$341,144.9600
Pork Sausage Gravy, NSN:8940-01-470-3204						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
15	DD Tracy	Dest	Each	13,866	\$16.5383	\$229,320.0678

Corn Beef Hash, NSN:8940-01-455-3548						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
24	DD Tracy	Dest	Each	13,866	\$21.5890	\$299,353.0740

Beef Taco Filling, NSN:8940-01-529-6637						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
29	DD Tracy	Dest	Each	5,143	\$23.7110	\$121,945.6730

Beef Burgundy, NSN:8940-01-529-6635						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
30	DD Tracy	Dest	Each	5,143	\$18.6018	\$95,669.0574

Chili Macaroni, NSN:8940-01-529-6844						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
32	DD Tracy	Dest	Each	10,286	\$14.8033	\$152,266.7438

The contract minimum quantity awarded for Option Year 1 of this contract is based on primary items only.

The contract maximum quantity awarded for Option Year 1 of this contract is based on both primary and secondary items.

Primary Items	Total Minimum Quantity	145,976 trays
Secondary Items	Total Minimum Quantity	110,702 trays
Primary & Secondary	Total Maximum Quantity	641,695 trays

Primary Items	Total Minimum \$Value	\$2,546,979
Secondary Items	Total Minimum \$Value	\$1,986,262
Primary & Secondary Items	Total Maximum \$Value	\$11,333,104

OPTION YEAR 2 QUANTITIES AND PRICES

The effective period of Option Yr 2 is 01 March 2009 thru 28 February 2010.

Primary Items**145,976 Trays \$2,560,497**

Chicken Breast in Gravy, NSN:8940-01-445-5737						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr u/P	Total \$Value
2	DD Tracy	Dest	Each	10,286	\$30.0650	\$309,248.5900
Pasta and Sausage, NSN:8940-01-517-9823						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
5	DD Tracy	Dest	Each	10,286	\$18.2964	\$188,196.7704
Mashed Potatoes, NSN: 8940-01-471-6856						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
6	DD Tracy	Dest	Each	5,143	\$12.1112	\$62,287.9016
Apple Dessert, NSN: 8940-01-455-1876						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
7	DD Tracy	Dest	Each	13,866	\$11.6494	\$161,530.5804
Beans w/Rice, NSN: 8940-01-519-0200						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
8	DD Tracy	Dest	Each	5,143	\$11.2013	\$57,608.2859
Chicken Lemon Pepper, NSN: 8940-01-517-9875						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
10	DD Tracy	Dest	Each	3,429	\$32.7377	\$112,257.5733
Rice, White, NSN: 8920-01-445-5736						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
11	DD Tracy	Dest	Each	20,527	\$9.1720	\$188,273.6440
Cherry Dessert, NSN: 8940-01-455-1870						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
12	DD Tracy	Dest	Each	3,429	\$14.3203	\$49,104.3087

Chili w/Beans, NSN: 8940-01-470-3190						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
13	DD Tracy	Dest	Each	5,143	\$15.4752	\$79,588.9536
Stuffing, Cornbread NSN: 8920-01-517-9881						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
16	DD Tracy	Dest	Each	5,143	\$17.3632	\$89,298.9376
Macaroni and Cheese, NSN: 8940-01-518-9544						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
17	DD Tracy	Dest	Each	5,143	\$13.0682	\$67,209.7526
Spaghetti w/Meatballs, NSN:8940-01-455-1880						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
19	DD Tracy	Dest	Each	10,286	\$18.4083	\$189,347.7738
Meatballs in Gravy, NSN: 8940-01-455-1873						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
20	DD Tracy	Dest	Each	5,143	\$21.5989	\$111,083.1427
Mashed Pot w/Chicken Gravy, NSN: 8940-01-504-4258						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
21	DD Tracy	Dest	Each	5,143	\$15.5535	\$79,991.6505
Pork, Sw & Sour, NSN: 8940-01-504-4246						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
22	DD Tracy	Dest	Each	3,429	\$19.9169	\$68,295.0501
Rice, Brown, NSN: 8920-01-537-0568						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
23	DD Tracy	Dest	Each	5,143	\$13.3755	\$68,790.1965
Ham Slices, NSN: 8905-01-446-0215						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
25	DD Tracy	Dest	Each	13,866	\$24.2537	\$336,301.8042

Chicken, Szechwan, NSN: 8940-01-527-5894

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
27	DD Tracy	Dest	Each	1,714	\$20.7301	\$35,531.3941

Rice Pilaf, NSN: 8920-01-526-4909

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
28	DD Tracy	Dest	Each	5,143	\$10.4949	\$53,975.2707

Turkey Cutlets, NSN: 8940-01-529-6641

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
31	DD Tracy	Dest	Each	8,571	\$29.4685	\$252,574.5135

Secondary Items 110,702 Trays \$1,996,417

Cream Ground Beef, NSN:8940-01-455-4609

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
1	DD Tracy	Dest	Each	13,866	\$17.2958	\$239,823.5628

Blueberry Dessert, NSN:8940-01-455-1872

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
3	DD Tracy	Dest	Each	13,866	\$15.5617	\$215,778.5322

Pork Sausage Links, NSN:8905-01-455-3547

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
4	DD Tracy	Dest	Each	13,866	\$21.1912	\$293,837.1792

Potatoes w/Cheese, NSN:8940-01-518-9217

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
14	DD Tracy	Dest	Each	20,800	\$16.5546	\$344,335.6800

Pork Sausage Gravy, NSN:8940-01-470-3204

Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
15	DD Tracy	Dest	Each	13,866	\$16.6279	\$230,562.4614

Corn Beef Hash, NSN:8940-01-455-3548						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
24	DD Tracy	Dest	Each	13,866	\$21.6551	\$300,269.6166
Beef Taco Filling, NSN:8940-01-529-6637						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
29	DD Tracy	Dest	Each	5,143	\$23.8134	\$122,472.3162
Beef Burgundy, NSN:8940-01-529-6635						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
30	DD Tracy	Dest	Each	5,143	\$18.6848	\$96,095.9264
Chili Macaroni, NSN:8940-01-529-6844,						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
32	DD Tracy	Dest	Each	10,286	\$14.8979	\$153,239.7994

The contract minimum quantity awarded for Option Year 2 of this contract is based on primary items only.

The contract maximum quantity awarded for Option Year 2 of this contract is based on both primary and secondary items.

Primary Items	Total Minimum Quantity	145,976 trays
Secondary Items	Total Minimum Quantity	110,702 trays
Primary & Secondary	Total Maximum Quantity	641,695 trays

Primary Items	Total Minimum \$Value	\$2,560,497
Secondary Items	Total Minimum \$Value	\$1,996,417
Primary & Secondary Items	Total Maximum \$Value	\$11,392,284

OPTION YEAR 3 QUANTITIES AND PRICES The effective period of Option Yr 3 is 01 March 2010 thru 28 February 2011.

Primary Items

145,976 Trays \$2,574,207

Chicken Breast in Gravy, NSN:8940-01-445-5737						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr u/P	Total \$Value
2	DD Tracy	Dest	Each	10,286	\$30.1338	\$309,956.2668
Pasta and Sausage, NSN:8940-01-517-9823						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
5	DD Tracy	Dest	Each	10,286	\$18.3915	\$189,174.9690
Mashed Potatoes, NSN: 8940-01-471-6856						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
6	DD Tracy	Dest	Each	5,143	\$12.2178	\$62,836.1454
Apple Dessert, NSN: 8940-01-455-1876						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
7	DD Tracy	Dest	Each	13,866	\$11.7641	\$163,121.0106
Beans w/Rice, NSN: 8940-01-519-0200						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
8	DD Tracy	Dest	Each	5,143	\$11.3041	\$58,136.9863
Chicken Lemon Pepper, NSN: 8940-01-517-9875						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
10	DD Tracy	Dest	Each	3,429	\$32.8161	\$112,526.4069
Rice, White, NSN: 8920-01-445-5736						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
11	DD Tracy	Dest	Each	20,527	\$9.2496	\$189,866.5392
Cherry Dessert, NSN: 8940-01-455-1870						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
12	DD Tracy	Dest	Each	3,429	\$14.4751	\$49,635.1179

Chili w/Beans, NSN: 8940-01-470-3190						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
13	DD Tracy	Dest	Each	5,143	\$15.5647	\$80,049.2521
Stuffing, Cornbread NSN: 8920-01-517-9881						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
16	DD Tracy	Dest	Each	5,143	\$17.5109	\$90,058.5587
Macaroni and Cheese, NSN: 8940-01-518-9544						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
17	DD Tracy	Dest	Each	5,143	\$13.1997	\$67,886.0571
Spaghetti w/Meatballs, NSN:8940-01-455-1880						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
19	DD Tracy	Dest	Each	10,286	\$18.4977	\$190,267.3422
Meatballs in Gravy, NSN: 8940-01-455-1873						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
20	DD Tracy	Dest	Each	5,143	\$21.6494	\$111,343.3785
Mashed Pot w/Chicken Gravy, NSN: 8940-01-504-4258						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
21	DD Tracy	Dest	Each	5,143	\$15.7086	\$80,789.3298
Pork, Sw & Sour, NSN: 8940-01-504-4246						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
22	DD Tracy	Dest	Each	3,429	\$19.9998	\$68,579.3142
Rice, Brown, NSN: 8920-01-537-0568						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
23	DD Tracy	Dest	Each	5,143	\$13.5163	\$69,514.3309
Ham Slices, NSN: 8905-01-446-0215						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
25	DD Tracy	Dest	Each	13,866	\$24.3089	\$337,079.6868

Chicken, Szechwan, NSN: 8940-01-527-5894						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
27	DD Tracy	Dest	Each	1,714	\$20.8477	\$35,732.9578

Rice Pilaf, NSN: 8920-01-526-4909						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
28	DD Tracy	Dest	Each	5,143	\$10.5944	\$54,486.9992

Turkey Cutlets, NSN: 8940-01-529-6641						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
31	DD Tracy	Dest	Each	8,571	\$29.5392	\$253,180.4832

Secondary Items

110,702 Trays \$2,006,716

Cream Ground Beef, NSN:8940-01-455-4609						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
1	DD Tracy	Dest	Each	13,866	\$17.3753	\$240,925.9098

Blueberry Dessert, NSN:8940-01-455-1872						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
3	DD Tracy	Dest	Each	13,866	\$15.6375	\$216,830.5456

Pork Sausage Links, NSN:8905-01-455-3547						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
4	DD Tracy	Dest	Each	13,866	\$21.2464	\$294,602.5824

Potatoes w/Cheese, NSN:8940-01-518-9217						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
14	DD Tracy	Dest	Each	20,800	\$16.7102	\$347,572.1600

Pork Sausage Gravy, NSN:8940-01-470-3204						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
15	DD Tracy	Dest	Each	13,866	\$16.7188	\$231,822.8808

Corn Beef Hash, NSN:8940-01-455-3548						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
24	DD Tracy	Dest	Each	13,866	\$21.7222	\$301,200.3025

Beef Taco Filling, NSN:8940-01-529-6637						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
29	DD Tracy	Dest	Each	5,143	\$23.9173	\$123,006.6739
Beef Burgundy, NSN:8940-01-529-6635						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
30	DD Tracy	Dest	Each	5,143	\$18.7690	\$96,528.9670
Chili Macaroni, NSN:8940-01-529-6844						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
32	DD Tracy	Dest	Each	10,286	\$14.9939	\$154,227.2554

The contract minimum quantity awarded for Option Year 3 of this contract is based on primary items only.

The contract maximum quantity awarded for Option Year 3 of this contract is based on both primary and secondary items.

Primary Items	Total Minimum Quantity	145,976 Trays
Secondary Items	Total Minimum Quantity	110,702 Trays
Primary & Secondary	Total Maximum Quantity	641,695 Trays

Primary Items	Total Minimum \$Value	\$2,547,207
Secondary Items	Total Minimum \$Value	\$2,006,716
Primary & Secondary Items	Total Maximum \$Value	\$11,384,897

OPTION YEAR 4 QUANTITIES AND PRICES The effective period of Option Yr 4 is 01 March 2011 thru 28 February 2012.

Primary Items

145,976 Trays \$2,588,113

Chicken Breast in Gravy, NSN:8940-01-445-5737						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr u/P	Total \$Value
2	DD Tracy	Dest	Each	10,286	\$30.2035	\$310,673.2010
Pasta and Sausage, NSN:8940-01-517-9823						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
5	DD Tracy	Dest	Each	10,286	\$18.4881	\$190,168.5966
Mashed Potatoes, NSN: 8940-01-471-6856						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
6	DD Tracy	Dest	Each	5,143	\$12.3259	\$63,392.1037
Apple Dessert, NSN: 8940-01-455-1876						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
7	DD Tracy	Dest	Each	13,866	\$11.8804	\$164,733.6264
Beans w/Rice, NSN: 8940-01-519-0200						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
8	DD Tracy	Dest	Each	5,143	\$11.4084	\$58,673.4012
Chicken Lemon Pepper, NSN: 8940-01-517-9875						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
10	DD Tracy	Dest	Each	3,429	\$32.8956	\$112,799.0124
Rice, White, NSN: 8920-01-445-5736						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
11	DD Tracy	Dest	Each	20,527	\$9.3282	\$191,479.9614
Cherry Dessert, NSN: 8940-01-455-1870						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
12	DD Tracy	Dest	Each	3,429	\$14.6321	\$50,173.4709

Chili w/Beans, NSN: 8940-01-470-3190						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
13	DD Tracy	Dest	Each	5,143	\$15.6555	\$80,516.2365
Stuffing, Cornbread NSN: 8920-01-517-9881						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
16	DD Tracy	Dest	Each	5,143	\$17.6607	\$90,828.9801
Macaroni and Cheese, NSN: 8940-01-518-9544						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
17	DD Tracy	Dest	Each	5,143	\$13.3331	\$68,572.1333
Spaghetti w/Meatballs, NSN:8940-01-455-1880						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
19	DD Tracy	Dest	Each	10,286	\$18.5884	\$191,200.2824
Meatballs in Gravy, NSN: 8940-01-455-1873						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
20	DD Tracy	Dest	Each	5,143	\$21.7006	\$111,606.1858
Mashed Pot w/Chicken Gravy, NSN: 8940-01-504-4258						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
21	DD Tracy	Dest	Each	5,143	\$15.8659	\$81,598.3237
Pork, Sw & Sour, NSN: 8940-01-504-4246						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
22	DD Tracy	Dest	Each	3,429	\$20.0838	\$68,867.3502
Rice, Brown, NSN: 8920-01-537-0568						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
23	DD Tracy	Dest	Each	5,143	\$13.6591	\$70,248.7513
Ham Slices, NSN: 8905-01-446-0215						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
25	DD Tracy	Dest	Each	13,866	\$24.3648	\$337,842.3168

Chicken, Szechwan, NSN: 8940-01-527-5894						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
27	DD Tracy	Dest	Each	1,714	\$20.9669	\$35,937.2666

Rice Pilaf, NSN: 8920-01-526-4909						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
28	DD Tracy	Dest	Each	5,143	\$10.6954	\$55,066.4422

Turkey Cutlets, NSN: 8940-01-529-6641						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
31	DD Tracy	Dest	Each	8,571	\$29.6109	\$253,795.0239

Secondary Items

110,702 Trays \$2,017,163

Cream Ground Beef, NSN:8940-01-455-4609						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
1	DD Tracy	Dest	Each	13,866	\$17.4560	\$242,044.8960

Blueberry Dessert, NSN:8940-01-455-1872						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
3	DD Tracy	Dest	Each	13,866	\$15.7143	\$217,894.4838

Pork Sausage Links, NSN:8905-01-455-3547						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
4	DD Tracy	Dest	Each	13,866	\$21.3023	\$295,377.6918

Potatoes w/Cheese, NSN:8940-01-518-9217						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
14	DD Tracy	Dest	Each	20,800	\$16.8681	\$350,856.4800

Pork Sausage Gravy, NSN:8940-01-470-3204						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
15	DD Tracy	Dest	Each	13,866	\$16.8110	\$233,101.3260

Corn Beef Hash, NSN:8940-01-455-3548						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
24	DD Tracy	Dest	Each	13,866	\$21.7902	\$302,142.9132

Beef Taco Filling, NSN:8940-01-529-6637						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
29	DD Tracy	Dest	Each	5,143	\$24.0227	\$123,548.7461
Beef Burgundy, NSN:8940-01-529-6635						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
30	DD Tracy	Dest	Each	5,143	\$18.8544	\$96,968.1792
Chili Macaroni, NSN:8940-01-529-6844,						
Line Item	Del Point	FOB	U/P	Min Qty	Base Yr U/P	Total \$Value
32	DD Tracy	Dest	Each	10,286	\$15.0913	\$155,229.1118

The contract minimum quantity awarded for Option Year 4 of this contract is based on primary items only.

The contract maximum quantity awarded for Option Year 4 of this contract is based on both primary and secondary items.

Primary Items	Total Minimum Quantity	145,976 Trays
Secondary Items	Total Minimum Quantity	110,702 Trays
Primary & Secondary	Total Maximum Quantity	641,695 Trays

Primary Items	Total Minimum \$Value	\$2,588,113
Secondary Items	Total Minimum \$Value	\$2,017,163
Primary & Secondary Items	Total Maximum \$Value	\$11,513,190

D. ECONOMIC PRICE ADJUSTMENT

52.216-9P17 ECONOMIC PRICE ADJUSTMENTS-ESTABLISHED MARKET PRICE (JUNE 1995) ALTERNATE II (FEB 1999) DSCP (revised in Italics)

(a) The Contractor warrants that the unit prices included in the Schedule do not include allowances for any portion of the contingency covered by this clause.

(b) An established market price is a price that is established in the course of Ordinary and usual trade between buyers and sellers free to bargain and that can be substantiated by data from sources independent of the offeror(s). The established market price under this clause may reflect industry-wide and/or geographically based market price fluctuations for commodity groups or specific supplies. The established market price that shall be used for the EPA factors subject to price adjustments under this clause, and the economic indicators and publications to be used are listed on attachment 1 of this clause.

(1) The base unit prices for the purpose of the adjustment calculations under

this clause shall be the arithmetic average of the weekly or monthly prices for the economic indicators for the period specified under the Base Unit Price column of attachment 1 immediately preceding (i) the closing date for proposals, if no discussions are held, (ii) the due date for final proposal revisions, if discussions are held, or (iii) the opening date, if sealed bidding is used.

(2) The adjusting unit prices shall be the arithmetic average of the weekly or monthly prices for the economic indicators for the period specified under the Adjusting Unit Price column of attachment 1 immediately preceding the effective date the option term is exercised.

(c) With respect to increases or decreases under this clause, no adjustment shall be made to the base term contract unit prices. One adjustment calculation shall be made annually to determine the unit prices applicable to the forthcoming option term (if exercised), except linerboard which will be adjusted on a semi-annual basis.

(d) Allowance Factor. For the purpose of price adjustment pursuant to this clause, it shall be conclusively presumed that the amount shown under "Portion Subject to EPA" represents the cost of each item that is subject to adjustment. This allowance factor remains fixed throughout the life of the contract unless a Government authorized change is made to the contract which affects this allowance.

(e) Adjustments shall be calculated as follows: (Round to four decimal places)

- (1) Compute the Adjusting Unit Price and the Base Unit Price
- (2) $\text{Adjusting Unit Price} - \text{Base Unit Price} / \text{Base Unit Price} = \text{Market Price Change (+ or -)}$
- (3) $\text{Market Price Change} \times \text{Allowance Factor} = \text{Price Adjustment (+ or -)}$
- (4) Determine the Contract Unit Price Adjustment by computing the sum total of the price Adjustment of all items subject to EPA.

(5) The original option unit price(s) for each option will be the sum of the firm fixed price portion and the portion subject to the EPA (Allowance Factor). The adjusted unit price(s) for each option shall be determined by increasing or decreasing (as appropriate) the Allowance Factor by the Contract Unit Price Adjustment and adding that to the firm fixed price portion agreed to at the time of award for the option period being adjusted.

- (f) Price adjustments pursuant to this clause shall be made by contract modification showing the calculations used to derive the adjusted contract unit price.
- (g) Payment on this contract shall be at the current price pending issuance of an adjusting modification.
- (h) Any pricing actions pursuant to the CHANGES clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment.
- (i) No adjustment will be made under this clause unless the total change in the contract amount is \$500.00 or more.
- (j) The total increase in any contract unit price shall not exceed 10% per annum of the original option unit prices agreed to at time of award. There is no percentage limit on downward adjustments under this clause.
- (k) In the event (i) any applicable market price indicator is discontinued or its method of derivation is altered substantially or (ii) the Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions, the parties

shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with the DISPUTES clauses of the contract.

- (l) The Contractor shall certify on the final invoice that amounts invoiced under this contract reflect all decreases required by this clause.
- (m) In the event any market price indicator is not published for any week(s), that week will not be included in calculating the base unit price or the adjusting unit price as applicable. For instance if within a 52 week period an indicator is not published 4 times, the average of the 48 published prices only will be calculated. When a range of prices is provided, for the purposes of the calculations the arithmetic average of the high and low number will be calculated to determine the indicator for that period.

52.214-9001 SCHEDULE - FIRM FIXED PRICE & FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT (JULY 1996) – DLAD

For the following items, the base unit price (before any economic price adjustment (EPA), is comprised of two portions:

- (1) a portion subject to adjustment under the EPA clause of this contract, plus
- (2) the (remaining) firm fixed price portion (for which separate pricing is permitted for option periods) pursuant to the clause of this contract entitled, "Option to extend the Term of the Contract – Separate Firm fixed Price & Fixed Price with Economic Price Adjustment Portions".

IAW Clause 52.216-9P17, the Allowance Factors for each of the awarded items and the publications that will be used to determine the price adjustments are as follows on page 26.

Item TRAY PACK	EPA FACTOR	ECONOMIC INDICATOR	Publication	Publication	Publisher	Unit Price	Unit Price
Beef, ground, Creamed	Beef	Boneless process Beef, trimmings, Wtd avg. 85% BPN U24	Weekly National Carlot Meat Report	Weekly	USDA	52 week period	52 week period
Turkey Cutlets In gravy	Turkey	Breasts, B/S, TOM, National Young Turkey Parts & Bulk Meat, Wtd. Avg. Price	USDA Turkey Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Ham Slices Potatoes w/cheese & ham	Ham	Ham bone-in, trimmed, 23-27#m spec 1	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Pork diced in sweet & sour	Pork	Picnics, fresh, Smkr trm,RS, Combo, wtd avg, BPN U50	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Chili Macaroni w/beef, corn and beans	Beef	Boneless process Beef, trimmings, Wtd avg. 85% BPN U24	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Corned Beef hash	Beef	IMPS 167A, round, knuckle, trimmed, wtd av BPNU12	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Turkey Sausage Links	Turkey	Breasts, B/S, TOM, National Young Turkey Parts & Bulk Meat, Wtd. Avg. Price	USDA Turkey Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Meatballs in gravy	Beef	Boneless process Beef, trimmings, Wtd avg. 85% BPN U24	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Spaghetti w/meatballs	Beef	Boneless process Beef, trimmings, Wtd avg. 85% BPN U24	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Chicken breasts In gravy	Chicken Breast	Breasts, Georgia FOB.	USDA Broiler Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Chicken breast in lemon pepper sauce	Chicken Breast	Breasts, Georgia FOB.	USDA Broiler Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Chicken, Buffalo Style in spicy sauce	Chicken	Heavy Type Hens, S.E. Heavy Live Hen Report, At Farm Buyer Loading, Wtd. Avg	USDA Broiler Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Stuffing w/sausage	Pork	Picnics, fresh, Smkr trm,RS, Combo, wtd avg, BPN U50	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Pork sausage Links	Pork	Picnics, fresh, Smkr trm,RS, wtd avg, Combo, BPN U50	Weekly National carlot meat report	Weekly	USDA	52-week period	52-week period
Pork ribs in bbq sauce	Pork	Picnic cushion Meat, combo 92%, fresh or frozen	Weekly National carlot meat report	Weekly	USDA	52-week period	52-week period
Pork sausage in Cream gravy	Pork	Picnics, fresh, Smkr trm,RS, Combo, wtd avg, BPN U50	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period

Pasta w/ground hot Italian sausage	Pork	Picnics, fresh, Smkr tm,RS, Combo, wtd avg, BPN U50	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Beef taco filling	Beef	IMPS 167A round knuckle, trimmed, wtd avg BPN U12	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Blueberry dessert	Blueberries	Frozen, 30 lb f.o.b. Michigan	The Food Institute Report Monthly Price Range	Monthly		12 month period	12 month period
Beef Burgundy	Beef	IMPS 167A round knuckle, trimmed, wtd avg BPN U12	Weekly National Carlot Meat Report	Weekly	USDA	52-week period	52-week period
Chicken in Szechwan Style Sauce	Chicken Breast	Breasts, Georgia FOB.	USDA Broiler Market News Report (Monday Edition)	Weekly	USDA	52-week period	52-week period
Eggs Scrambled, Plain	Eggs	Frozen, Whole Eastern Region	USDA Egg Market News Report	Weekly	USDA	52-week period	52-week period

IAW the terms of Clause 52.217-9001 contractor provided the "firm fixed portion" and the "portion subject to EPA" for each item as follows.

Item	Description	Destination	EPA Factor	Portion Subject To EPA	FIRM FIXED PRICE PORTION				TOTAL UNIT PRICE				
					Base Year	Option Year 1	Option Year 2	Option Year 3	Base Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4
23	Rice Brown	Tracy	Linerboard Resin	[REDACTED]	\$19.75	\$19.84	\$19.92	\$20.00	\$20.08				
24	Com Beef Hash	Tracy	Beef Linerboard Resin	[REDACTED]	\$13.10	\$13.24	\$13.38	\$13.52	\$13.66				
25	Ham Slices	Tracy	Ham Linerboard Resin	[REDACTED]	\$21.52	\$21.59	\$21.66	\$21.72	\$21.79				
26	Pulled Pork	Tracy	Pork Linerboard Resin	[REDACTED]	\$24.15	\$24.20	\$24.25	\$24.31	\$24.36				
27	Chicken in Szechwan	Tracy	Chicken Linerboard Resin	[REDACTED]	\$30.33	\$30.41	\$30.49	\$30.58	\$30.66				
28	Rice Pilaf	Tracy	Linerboard Resin	[REDACTED]	\$20.50	\$20.61	\$20.73	\$20.85	\$20.97				
29	Beef Taco Filling	Tracy	Beef Linerboard Resin	[REDACTED]	\$10.30	\$10.40	\$10.49	\$10.59	\$10.70				
30	Beef Burgundy	Tracy	Beef Linerboard Resin	[REDACTED]	\$23.61	\$23.71	\$23.81	\$23.92	\$24.02				
31	Turkey Cutlets in Grav	Tracy	Turkey Linerboard Resin	[REDACTED]	\$18.52	\$18.60	\$18.68	\$18.77	\$18.85				
32	Chili Macaroni w/Beef, corn, and beans	Tracy	Beef Linerboard Resin	[REDACTED]	\$29.33	\$29.40	\$29.47	\$29.54	\$29.61				
33	Pot Roast	Tracy	Beef Linerboard Resin	[REDACTED]	\$14.71	\$14.80	\$14.90	\$14.99	\$15.09				
34	Chili Dogs	Tracy	Beef Linerboard Resin	[REDACTED]	\$48.24	\$48.30	\$48.35	\$48.40	\$48.46				
					\$31.98	\$32.21	\$32.42	\$32.64	\$32.87				

II. FIRST ARTICLES

A. FIRST ARTICLE PROCEDURES

1. First article samples are required for each item awarded. The contractor shall produce the product on the equipment and in the facilities that will be used during production of the contract. Samples of first article production, for examination and testing, will be randomly selected by the USDA employee in the quantity required by the quality assurance provisions of the item specification. In addition, the USDA employee will randomly select and hold 32 samples for use by USDA and 12 more samples for use by Natick. Once the USDA passes the lot for all examination and test requirements as specified in the item specification, the set of 12 samples will be forwarded to Natick with the USDA documented inspection and analytical results, at the contractor's expense, for evaluation of overall appearance and palatability. Should the contractor at any time plan to, or actually produce the product using different raw material or process methodologies from the approved first article, which result in a product non comparable to the approved first articles, the contractor may arrange for a new or additional first article sample approval. Any resubmission of first article samples shall be in accordance with the above however, the contractor shall be charged for such resubmission. The charge to the contractor for resubmission and evaluation of new or additional first articles shall be \$900.00. In any event, all product produced under this contract must meet all requirements of the specification including first article comparison.

2. Initial First Articles shall be delivered in accordance with the Contractor's accepted milestones of its Technical Proposal. Subsequent First Articles, which may be required as a result of addition of new items to the contract, will be required within 45 days of such contract modification, in accordance with the terms and conditions of paragraph A above.

3. Within 15 days of Natick's receipt of the First Article, the Contracting Officer shall notify the Contractor, in writing, of the conditional approval, approval, or disapproval of the First Article.

4. If the First Article is disapproved, the Contractor, upon Government approval, shall submit a new First Article for evaluation, in accordance with all terms and conditions of this Section II. All costs related to evaluation of new First Articles (\$900.00) shall be borne by the contractor.

5. Failure to make timely delivery of an acceptable First Article shall be deemed a failure to make delivery within the meaning of the Default clause of this contract.

6. The contractor shall assure that First Articles are timely delivered to:

U.S. Army Research, Development, and Engineering Command
Natick Soldier Center
ATTN: AMSRD-NSC-CF-F (Al Bennett)
15 Kansas Street
Natick, MA 01760-5018

7. If the Government does not provide timely notification to the Contractor in accordance with paragraph 2 above, the line item delivery date will be extended by the number of days equal to the Government delay.

8. Before First Article approval, the acquisition of materials or the

commencement of production under the contract shall be at the sole risk of the contractor, and these costs shall not be allocable to the contract if the contract is terminated for the convenience of the Government.

9. Natick's acceptance of the First Article samples does not constitute the sample as meeting the other requirements of the contract, nor does the recommendation of acceptance provide for the acceptance of any defects or defectives that could be present in any of the unevaluated, un-inspected reserve First Article samples. Acceptance and approval of First Article samples and the remaining First Article production lot is based on the premise of production homogeneity. Should a reserve First Article sample be opened and the sample exhibits a defect, defects or be defective in accordance with the product defect table of examination, that sample unit is to be discarded since it would not have been determined acceptable as a First Article standard if that actual sample would have been previously inspected and evaluated during the First Article approval process.

B. Conditional First Articles: Request for Waiver for a First Article Sample

The Contractor may request a waiver (RFW) to submit samples for First Article evaluation from a production lot that does not conform with all contract requirements/specifications, based on the Contractor's premise, and assumption of all risk, that the nonconformance(s) can be corrected without a change in the product's organoleptic qualities. A decision by the Government to not accept any such RFW shall not reduce the Contractor's requirement to submit a timely, approved First Article. Any such RFW shall be submitted by the Contractor with the following information and Contractor's agreement to the following conditions and assumption of all risk:

First Article production lot _____ conforms to all end item specification requirements except for the following (describe the nonconformance in detail):

<u>Specification Cite</u>	<u>Specification Requirement</u>	<u>Product Detail</u>
_____	_____	_____
_____	_____	_____

The contractor's request to submit samples from this production lot for First Article evaluation is based on the Contractor's premise that the above nonconformance can be corrected without a change in the product's organoleptic qualities, and may be approved based on the Contractor's agreement to the following conditions:

1. If the subject lot is approved as a production standard for organoleptic characteristics only, the subject lot will hereafter be referred to as the "Conditional First Article." The Contractor may commence contract production, and the Contractor will replace the USDA Conditional First Article samples with product from the first production lot that conforms to all end-item requirements, including comparability to the Conditional First Article. These replacement samples will be the remaining contract First Article, with replenishment as authorized under the contract. Any request by the Contractor to ship the Conditional First Article for Government acceptance must be submitted via a request for waiver.

2. If a future production lot meets all end-item requirements, except for organoleptic comparability to the Conditional First Article, the production lot will be considered nonconforming. In that event, acceptance of the production lot will require its submission and approval as an Alternate First Article, or Request for Waiver. The contractor will be charged \$900 for evaluation of Alternate First Articles samples or Request for Waiver.

C. Limited Production First Articles:

1. Contractor may request to produce First articles on a limited basis in which case, the batch size of the first article run will be significantly smaller than the regular full size first article. This may be warranted due to urgency in the submittal of first article, limited availability of the raw materials, etc. Approval to produce and submit Limited Production First Article(s) must be authorized by the Contracting Officer.

2. Limited production first articles will be produced to conform to all specification and contractual requirements except for quantities. Contractor shall produce, at a minimum, in a quantity which would include 4 trays for submittal to USDA, 4 trays to Natick, quantity required for contractor's analyticals and end item examination and USDA's analyticals and end item examination only if the contractor does not have a reliable test system) and a minimum of 4 trays for contractor's reserve for contractor's comparative evaluation of the first conforming production lot to be offered to USDA for replenishment of the first articles as required in the normal contract quantity requirement.

3. Limited production first articles shall meet all other requirements of the First Article requirements of the contract.

4. Upon approval as limited production first articles by Natick, contractor will commence production and the first articles will be replenished by USDA from the first fully conforming production lot in accordance with all of the contractual requirements for first articles.

D. Replenishment of First Articles

1. Every 6 months or sooner if needed to preclude depletion of First Articles, the USDA employee will replenish the USDA supply of First Articles with 32 samples randomly selected from a lot accepted by the Government for all contractual requirements.

2. Every 12 months, the USDA employee will replenish the Natick supply of First Articles with 12 samples randomly selected from a lot accepted by the Government for all contractual requirements. The Contractor shall be responsible for shipping the samples to Natick.

E. Use of Approved First Articles for comparative evaluation by Contractor and USDA.

Contractor and USDA shall use the samples from the same approved first article and/or replenished first article lot/s of the respective items in evaluating the production lots. Contractor and USDA shall adhere to the requirements cited above in approval, replenishment and distribution of the first article and replenishment samples.

F. 52.209-9P02 WAIVER OF FIRST ARTICLE APPROVAL (JAN 1992) DSCP(REVISED)

(a) Offerors who consider themselves eligible for waiver of the first article approval requirement are requested to submit below information identifying the contract number(s) under which identical or similar supplies were previously furnished by them and accepted by the government, and identifying the quantity of residual, conforming samples available for First Article comparability use on the resulting contract.

<u>Contract Number</u>	<u>Item</u>	<u>Qty Available for First Article use</u>	<u>Lot Number</u>
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(b) The contract delivery schedule is based on the assumption that the first article approval requirement provided for elsewhere in this solicitation will be complied with. In the event the requirement for first article approval is waived by the government, the delivery time will be reduced by the number of days allotted in the "first article approval-government testing" clause hereof for submission, of the first article or first article test report by the contractor and testing and approval thereof by the government. This reduction in delivery time shall not be a factor in the evaluation for award.

(c) All offerors are required to submit prices based on test and approval of first articles. Offerors who have previously furnished identical or similar supplies which were accepted by the government are also requested to make an alternative offer based on waiver of first article test and approval. In the government's determination as to which offer will be most advantageous to it, price and other factors considered, offers contemplating inclusion of the first article approval requirement and alternative offers contemplating exclusion of said requirement will be evaluated on an equal basis. An alternative offer will be used in evaluation only in the event the government, at its discretion, determines to waive the first article approval requirement as to the offeror involved. Alternate price(s) may be stated in the space provided below; however, if an offeror fails to submit an alternate price based on waiver of the first article approval requirement, the offer will be evaluated on the basis of the price(s) stated elsewhere in the solicitation and offer.

Item Number

Price(s) If First Article Approval Requirement is Waiver

PERIODIC REVIEW SAMPLES

Review samples are required for all tray pack items: the following are the requirements and distribution of samples: The USDA Inspector Shall randomly select four samples of each item produced during each month of tray pack production. These samples shall be designated as monthly review samples. The USDA Inspector will provide these samples to the Contractor's representative, who will ship them monthly to the following addresses at the contractor's expense:

Two samples of all items to:
 Head, DCIS
 USDA, AMS, FV, PPB
 ROOM 0726, South Building
 14th and Independence Avenue, SW
 Washington, DC 20250
 and

Two samples of all items to:
 US ARMY NATICK RD & E CENTER
 15 KANSAS STREET
 ATTN: SATNC-WRE
 NATICK, MA 01760-5018

III. OPTIONS

This acquisition contains four (4) 1-year option periods. Acceptance of the

option provision(s) /clause(s) contained herein is mandatory. The option is deemed exercised when mailed or otherwise furnished to the contractor.

Failure to indicate offer of the option by annotating the offeror's option prices in the Schedule may be deemed non-acceptance of the option and could result in rejection of the offeror's entire proposal.

Offerors may offer option unit prices which differ from the unit prices for the base ordering period, however, option prices may only differ based on expected cost differences for factors other than the materials or factors subject to an economic price adjustment. Option prices shall not include any contingent cost increases for any material subject to an EPA.

52.217-9P12 OPTION FOR INDEFINITE-DELIVERY, INDEFINITE-QUANTITY CONTRACT TERM EXTENSION (JUL 1998) DSCP

(a) Acceptance of the option provision(s)/clauses contained herein is mandatory. Failure to indicate acceptance of the option by annotating the offeror's option price in the schedule or elsewhere in the solicitation will be deemed non-acceptance of the option and may result in rejection of the offeror's entire bid/proposal.

(b) Offerors may offer options at unit prices which differ from the unit prices for the base ordering period. These prices may vary with the quantities actually ordered and the dates when ordered.

(c) The contracting officer may extend the term of this contract for additional period(s) by written notice to the contractor within the time specified in the schedule; provided that the contracting officer shall give the contractor a preliminary written notice of intent to extend at least 60 days before expiration of the contract. The preliminary notice does not commit the government to an extension.

(d) Performance under the option period shall continue at the same performance level specified for the basic contract.

(e) The option to extend the term of the contract shall be exercised not later than three (3) days before the expiration date of the contract.

(f) The option is deemed exercised when mailed or otherwise furnished to the contractor.

(g) If the contracting officer exercises this option, the extended contract shall be considered to include this option clause and the minimum and maximum quantities specified in the award for that option period will apply. The modification exercising the option will also modify DSCP clause 52.217-9P16, Effective Period of Contract--Indefinite-Delivery, Indefinite-Quantity Contract, to cover the base ordering period and the additional option period(s) exercised to date.

(h) The total duration of any options exercised under this clause shall not exceed

(i) The following provisions apply only to negotiated acquisitions:

(1) If an option has been priced under this solicitation and is to be exercised at time of award of the basic contract, the submission of certified cost or pricing data shall be required prior to award where the combined dollar value of the basic contract and option exceeds \$500,000, unless an exemption thereto is appropriate in accordance with FAR 15.403-1.

(2) Prior to the award of any contract which will contain one or more priced options totaling \$500,000 or more, the submission of certified cost or pricing data covering the basic contract and the option(s) shall be required regardless of when the option(s) may be exercised, unless an exemption thereto is appropriate in accordance with FAR 15.403-1.

52.217-9P13 EVALUATION OF OPTIONS -- SOURCE SELECTION FOR AN INDEFINITE DELIVERY, INDEFINITE-QUANTITY CONTRACT (JAN 1992) DSCP

(a) For award purposes, in addition to an offeror's response to the base ordering period, the government will evaluate its response to all options, both technical and price. To evaluate price, the government will add the total price for all options to the total price for the base ordering period. Further, where a contract line or subline item number in section B specifies a minimum and maximum quantity, the maximum quantity will be used to determine the total price. Evaluation of options will not

obligate the government to exercise the options. For this solicitation, the options are as specified in clause 52.217-9P12.

(b) Should offerors propose option prices which vary (for example, with quantities actually ordered and the dates when ordered), these offers will be evaluated using the highest option price offered for each item.

ADDENDUM TO 52.217-9P13 EVALUATION OF OPTIONS -- SOURCE SELECTION FOR AN INDEFINITE DELIVERY, INDEFINITE-QUANTITY CONTRACT (JAN 1992) DSCP

A. 52.217-9P13 EVALUATION OF OPTIONS -- SOURCE SELECTION FOR AN INDEFINITE-DELIVERY, INDEFINITE-QUANTITY CONTRACT (JAN 1992) DSCP

(c). The Government will evaluate and determine the reasonableness of prices for the base period and each option period, and only make award, of both primary and secondary items, at prices determined fair and reasonable. The Government reserves the right to make any award(s) for less than the complete base and four options period. If the pricing for all option periods cannot be determined fair and reasonable, award(s) can be made for the base period only.

52.211-18 VARIATION IN ESTIMATED QUANTITY (APR 1984) (REVISED)

If the quantity of a unit-priced item in this contract is an estimated quantity and the actual quantity of the unit-priced item varies more than 15 percent above or 5 percent below the estimated quantity, an equitable adjustment in the contract price shall be made upon demand of either party. The equitable adjustment shall be based upon any increase or decrease in costs due solely to the variation above 115 percent or below 95 percent of the estimated quantity. If the quantity variation is such as to cause an increase in the time necessary for completion, the Contractor may request, in writing, an extension of time, to be received by the Contracting Officer within 10 days from the beginning of the delay, or within such further period as may be granted by the Contracting Officer before the date of final settlement of the contract. Upon the receipt of a written request for an extension, the Contracting Officer shall ascertain the facts and make an adjustment for extending the completion date as, in the judgment of the Contracting Officer, is justified.

IV. SURGE OPTION PROVISIONS

A. Surge

The primary mission of the Defense Logistics Agency (DLA) is to support the military in peace and during contingencies. The ability to ramp-up quickly to meet early requirements, and to sustain an increased pace throughout the contingency are critical to the execution of U.S. military strategy. DLA's designation as a Combat Support Agency makes it directly responsible for the timely support of critical military operational requirements. Because of DLA's unique role, surge capability is a primary consideration in all acquisitions. All DLA contractors are accountable for meeting surge requirements, ensuring surge capability actually exists and validating surge capability through surge testing.

The DLA defines surge as the ability of the industrial base to meet accelerated delivery requirements, with existing industrial base capabilities, across a broad spectrum of possible contingencies. This includes both the capability to ramp-up quickly to meet early requirements, as well as to sustain an increased pace throughout the contingency(s). The spectrum of possible

contingencies includes major theatre and smaller scale contingency operations. The various contingencies are as follows:

Joint Chiefs of Staff (JCS) Logistics Exercises – The contractor must have the ability to support short term surges in demands, which may increase two times the estimated demand. There may be occasions where large increases in quantity will be necessary for short periods of time and on short notice. An example of a surge situation would be an increase in military feeding of 200% over peacetime demand for a period of up to 30 days. Normally, there is advance notice as to when exercise surges will occur.

Military Operations – The contractor must have the ability to support surges in demand, which may be needed for an extended period of time on short notice. An example of a military operation would be US peacekeeping missions and Bosnia support. For this type of scenario, the capability to ramp-up quickly to meet early requirements, as well as sustainment for an extended period of time is essential.

Mobilization - A full-scale military mobilization or a national emergency could increase UGR H & S requirements to 9M traypacks over an eight month period. Normal mobilization strategies provide lead times of at least 30 days to build to the necessary support level. The contractor must have the ability to support this increased level of supply for an extended period of time.

All contractors that support Operational Rations supply contracts are required to complete the current planning document for mobilization planning purposes online at the Defense Center Philadelphia's Subsistence Planning Integrated Data Enterprise Readiness System (SPIDERS) website at: <http://dscp362.dscp.dla.mil/spiders/home.htm>. Please note the discussion of Production Groups for the different traypack items found at the end of this clause. The government reserves the right to verify production data submitted. This will require government personnel to have access to production records and manufacturing facilities.

C. 252.217-7001 SURGE OPTION (AUG 1992)

(a) General. The Government has the option to-

(1) Increase the quantity of supplies or services called for under this contract by no more than * percent; and/or

* To be determined at the time this option is exercised. However, the maximum quantity which may be acquired will not exceed the parameters set forth in paragraph (c)(3) of this clause.

(2) Accelerate the rate of delivery called for under this contract, at a price or cost established before contract award or to be established by negotiation as provided in this clause.

(b) Schedule.

(1) When the Production Surge Plan (DI-MGMT-80969) is included in the contract, the option delivery schedule shall be the production rate provided with the Plan. If the Plan was negotiated before contract award, then the negotiated schedule shall be used. **

** The offeror must submit a company profile and surge production data online through the Defense Supply Center Philadelphia's Subsistence Planning Integrated Data Enterprise Readiness System (SPIDERS) website at <https://dscp362.dscp.dla.mil/spiders/home.htm>. A printed copy of the company profile and the "Committed Time-Phased Surge" production data must also be returned with this solicitation. This information shall be the Production Surge Plan under the contract, and the contractor shall be obligated to accelerate deliveries under the terms of this clause up to the quantities entered in the Production Surge Plan. **The contract Production/Delivery Surge Plan can be found at the end of this clause.**

(2) If there is no Production Surge Plan in the contract, the Contractor shall, within 30 days from the date of award, furnish the Contracting Officer a delivery schedule showing the maximum sustainable rate of delivery for items in this contract. This delivery schedule shall provide acceleration by month up to the maximum sustainable rate of delivery achievable within the Contractor's existing facilities, equipment, and subcontracting structure.

(3) The Contractor shall not revise the option delivery schedule without approval from the Contracting Officer.

(c) Exercise of Option.

(1) The Contracting Officer may exercise this option at any time before acceptance by the Government of the final scheduled delivery.

(2) The Contracting Officer will provide a preliminary oral or written notice to the Contractor stating the quantities to be added or accelerated under the terms of this clause, followed by a contract modification incorporating the transmitted information and instructions. The notice and modification will establish a not-to-exceed price equal to the highest contract unit price or cost of the added or accelerated items as of the date of the notice.

(3) The Contractor will not be required to deliver at a rate greater than the maximum sustainable delivery rate under paragraphs (b)(1) of this clause, nor will the exercise of this option extend delivery more than 24 months beyond the scheduled final delivery.

(d) Price Negotiation.

(1) Unless the option cost or price was previously agreed upon, the Contractor shall, within 30 days from the date of option exercise, submit to the Contracting Officer a cost or price proposal (including a cost breakdown) for the added or accelerated items.

(2) Failure to agree on a cost or price in negotiations resulting from the exercise of this option shall constitute a dispute concerning a question of fact within the meaning of the Disputes clause of this contract. However, nothing in this clause shall excuse the Contractor from proceeding with the performance of the contract, as modified, while any resulting claim is being settled.

The following is Amerigual's committed surge production plan which due to its inexperience with the traypack program does include two production groups.

SOURCE SELECTION INFORMATION
SEE FAR 3.104

	Day 0-45	Day 46-75	Day 76-105	Day 106-135
Total Wartime Requirements	1,109,000	1,403,000	1,332,000	1,210,000
Amerigual Surge Schedule	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Amerigual % Supplied	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The Government will issue delivery orders based on weighted averages of the Production Group items ordered as follows:

<u>Group</u>	<u>Mthly Qty</u>	<u># of Group Items Ordered</u>
G1	x1	n1
G2	x2	n2
G3, etc	x3	n3

FOR OFFICIAL USE ONLY

$$\text{Monthly Order Qty} = n1/n (x1) + n2/n (x2) + n3/n (x3) + n4/n (x4) + n5/n (x5)$$

"n" = total # of items ordered each month

V. ITEM DESCRIPTION

A. The following item descriptions include the item specifications for this acquisition.

- 8940-01-455-1876 Apple Dessert, Shelf Stable, apple slices, cooked in a spicy sauce, 5 lb 12 oz net wt, polymeric tray, PCR-A-003
- 8940-01-537-0628 Beef Pot Roast w/Gravy, Shelf Stable, ckd, 5 lb 8 oz net wt, polymeric tray, PCR-B-046
- 8940-01-519-0200 Beans, Red, w/Rice, Shelf Stable, cooked, 5 lb 10 oz net wt,

polymeric tray, PCR-R-009

- 8940-01-455-1872 Blueberry Dessert, Shelf Stable, blueberries cooked in sauce, 6 lb 2 oz (2.78 kg) net wt, polymeric tray, PCR-B-036
- 8940-01-455-1870 Cherry Dessert, Shelf Stable, pitted red tart cherries cooked in sauce, 6 lb 2 oz (2.78 kg) net wt, polymeric tray, PCR-C-047
- 8940-01-445-5737 Chicken Breast in Gravy, Shelf Stable, cooked, not less than 18 intact breast halves, w/o skin, 5 lb. 15 oz. net wt, polymeric tray, PCR-C-032
- 8940-01-517-9869 Chicken, Buffalo Style, In Spicy Sauce, Shelf Stable, cooked, 5 lb 8 oz net wt, polymeric tray, PCR-B-039
- 8940-01-517-9875 Chicken Breast in Lemon Pepper Sauce, Shelf Stable, cooked, 5 lb 13 oz net wt, polymeric tray, PCR-L-004
- 8940-01-470-3190 Chili with Beans, Shelf Stable, cooked, 6 lb net wt, polymeric tray, PCR-C-034A
- 8940-01-537-0625 Chili Dogs, Shelf Stable, ckd, min 20 frankfurters/tray
6 lb net wt, polymeric tray, PCR-C-068
- 8940-01-455-4609 Cream Gravy with Ground Beef, Shelf Stable, cooked, 5 lb 12 oz net wt, polymeric tray, PCR-C-040
- 8940-01-455-3548 Hash, Corned Beef, Shelf Stable, cooked, 5 lb 8 oz net wt, polymeric tray, PCR-H-005
- 8940-01-518-9544 Macaroni and Cheese, Shelf Stable, cooked, 6 lb 1 oz net wt, polymeric tray, PCR-M-012
- 8940-01-504-4258 Mashed Potatoes w/Chicken Gravy, Shelf Stable, 5 lb 13 oz net wt, polymeric tray, PCR-M-010
- 8940-01-471-6856 Mashed Potatoes, w/Gravy, Shelf Stable, ckd, 5 lb 13 oz net wt, Polymeric Tray
PCR-M-007
- 8940-01-455-1873 Meatballs in Brown Gravy, Shelf Stable, cooked, 5 lb 10 oz net wt, polymeric tray, PCR-M-005
- 8940-01-517-9823 Pasta w/Ground Hot Italian Sausage, Shelf Stable, cooked, 5 lb 15 oz net wt, polymeric tray, PCR-P-041
- 8940-01-537-0620 Pork, Pulled, in Barbecue Sauce, Shelf Stable, ckd, 5 lb 13 oz net wt, polymeric tray, PCR-P-043

- 8940-01-455-1882 Pork Ribs, In Barbeque Sauce, Shelf Stable, cooked, 5 lb 8 oz net wt, polymeric tray, PCR-P-019
- 8940-01-470-3204 Pork Sausage in Cream Gravy, Shelf Stable, cooked, 5 lb 13 oz net wt, polymeric tray, PCR-P-014A
- 8905-01-455-3547 Pork Sausage Links in Brine, Shelf Stable, cooked, 5lb 10 oz net wt, polymeric tray, PCR-P-015
- 8940-01-504-4246 Pork, Diced in Sweet and Sour Sauce, Shelf Stable, cooked, 5 lb 14 oz net wt, polymeric tray, PCR-P-032
- 8940-01-518-9217 Potatoes w/Cheese and Ham, Shelf Stable, cooked, 5 lb 14 oz net wt, polymeric tray, PCR-C-060
- 8920-01-445-5736 Rice, White, Shelf Stable, cooked, long grain, 5 lb 10 oz net wt, polymeric tray, PCR-R-004, Type I
- 8920-01-537-0568 Rice, Brown, Shelf Stable, ckd, 5 lb 10 oz net wt, polymeric tray, PCR-R-004, type III
- 8940-01-455-1880 Spaghetti with Meatballs in Sauce, Shelf Stable, cooked, 5 lb 13 oz net wt, polymeric tray, PCR-S-012
- 8920-01-517-9881 Stuffing, Cornbread, w/Sausage, Shelf Stable, cooked, 5lb 10 oz net wt, polymeric tray, PCR-C-056
- 8905-01-446-0215 Ham Slices in Brine, Shelf Stable, Cooked, 5 lb 12 oz net wt, polymeric tray, PCR-H-009
- 8940-01-527-5894 Chicken in Szechwan Style Sauce, Shelf Stable, Cooked, 5 lb 14 oz net wt, Polymeric Tray, PCR-C-065
- 8920-01-526-4909 Rice Pilaf, Shelf Stable, Cooked, 5 lb 8 oz net wt, Polymeric Tray, PCR-R-004A, Type II
- 8940-01-529-6637 Beef Taco Filling, Shelf Stable, Cooked, 5 lb 12 oz net wt, polymeric tray, PCR-T-010
- 8940-01-529-6635 Beef Burgundy, Shelf Stable, Cooked, 5 lb 12 oz net wt, polymeric tray PCR-B-044
- 8940-01-529-6641 Turkey Cutlets in Gravy, Shelf Stable, Marinated, Cooked, Min.10 intact cutlets, 5 lb 11 oz net wt, polymeric tray, PCR-T-009

8940-01-529-6844 Chili Macaroni, Mexican Style, W/Corn and Beans, Shelf Stable, Cooked 5 lb 15 oz net wt, polymeric tray, PCR-M-014

B. AVAILABILITY OF PURCHASE DESCRIPTIONS AND OTHER SPECIFICATIONS

(a) Copies of the Contractor Technical Requirements (CTR) and Performance Based Contract Requirements (PCR) cited in this solicitation may be obtained upon request from:

Defense Logistics Agency
 Defense Supply Center Philadelphia
 Mr. Larry Charya, Food Technologist
 ATTN: DSCP-FTRUT
 700 Robbins Avenue
 Philadelphia, PA 19111-5092

Telephone: (215-737-3832)

e-mail: lcharya@dscp.dla.mil

VI. INSPECTION AND ACCEPTANCE

Note: For the purposes of Inspection/Acceptance and Shipment/Delivery, a manufacturer's "lot" shall be considered no greater than a single shift's production.

52.246-9P12 INSPECTION AND ACCEPTANCE BY THE GOVERNMENT (JAN 1992) DSCP

(a) Saving and reserving to the government all rights under the inspection provision, the following is applicable to this acquisition:

Inspection at (X) Contractor's Plant, () Destination, AND Acceptance at () Contractor's Plant, (X) Destination, upon execution of DD Form 250 by the authorized government representative.

(b) Resultant awards or contract will contain the name and address of the office responsible for performance of inspection.

(c) Offeror shall indicate below the location where supplies will be inspected:

Plant: AmeriQual Foods

Street: 18200 Highway 41 North

City/State/Zip: Evansville, IN 47725

A. FAR Clause 52.246-2 is applicable to this solicitation/contract, as is the following General Inspection Provision:

52.246-9P09 GENERAL INSPECTION REQUIREMENTS (JAN 1998) DSCP

(a) Inspection.

(1) The contractor shall employ the services of the U.S. Department of Agriculture (USDA), Grain Inspection, Packers and Stockyard Administration (GIPSA) or Agricultural Marketing Service (AMS) or U.S. Department of Commerce (USDC), National Marine Fisheries Service (NMFS) to accomplish origin inspection (examination and testing) and sampling as required herein and in the applicable commodity specifications. The contractor shall bear all expenses incident thereto, including costs of samples and all associated costs for preparation and mailing. Costs shall be assessed in accordance with the government laboratory testing charges for individual test characteristics and number of tests required by the specification or contract. A list of fees may be

obtained from the appropriate inspection activity. The contractor shall furnish the government grader/inspector a copy of the complete contract and supporting contractual documents (i.e., individual solicitation, contract modifications, waivers, and referenced specifications). Offerors may contact the appropriate government office to discuss inspection procedures prior to submitting offers, however, nothing provided thereby shall be construed to alter the applicable specification in any manner or reduce the responsibility of contractor to comply with such specifications.

(2) The contractor shall take action to correct or replace nonconforming supplies.

(3) The government shall perform an inspection at destination for identity, condition and quantity. If there is evidence that the supplies do not conform with contract requirements, the inspector shall report the findings of his inspection to the appropriate DSCP office (Operational Rations Business Unit, Food Services Business Unit, Produce Business Unit, Product Services Office, etc.). The applicable DSCP office shall report the findings to the contracting officer or the ordering officer, who shall in turn notify the contractor.

(4) Supplies will be rejected when any evidence of insect activity (live or dead in any stage of development) or rodent activity/contamination is found in or on product, packaging, packing or unitization.

(5) Nonconforming supplies rejected at origin will not normally be accepted by the government. However, the contractor may elect to petition the contracting officer in writing to grant a waiver of the contract requirements for which supplies have been found nonconforming, and to accept the supplies "as is" with appropriate price consideration.

(6) The contractor shall furnish all inspection gauges, instruments, scales, tools or other material required by the designated government inspection activity to complete the necessary inspection. The government inspector will insure that the contractor has had such gauges, instruments, scales, tools, or other material required to complete inspection properly calibrated and, if necessary, certified. When required by the contract/solicitation the government inspector will collect insect specimens from plant production and storage areas and submit the specimens to the nearest military entomological laboratory for identification. When the collection of insects is required, the contractor shall be responsible for supplying and installing specified insect monitoring devices required to accomplish this task.

(b) Standby Test Samples.

The government reserves the right to withdraw and hold standby samples of components or finished products or both (quantity of which shall be not more than twice that required by the specification) for inspection purposes. Samples not used shall be returned to the contractor.

(c) USDA and USDC Certificates.

(1) Inspection by USDA, AMS, Fruit and Vegetable Division, Poultry Division or Dairy Division: When DD Form 250, Material Inspection Receiving Report (MIRR), is not used, the contractor shall obtain official USDA inspection certificate, which shall:

(i) Contain the following statement in the grade section of the certificate:

(a) Supplies listed hereon conform to all quality requirements of the contract.

(b) Container condition meets all requirements of the contract.

(c) Visual examination indicates conformance to packaging, packing, unitization, labeling and marking requirements of the contract.

(ii) Indicate that supplies shipped are those inspected. This may be satisfied by means of one of the following:

(a) Each primary container must be embossed, stamped or stenciled with a code mark prior to inspection, which corresponds with the code marks listed on the USDA grade certificate.

(b) The USDA grade certificate bears a statement that all of the shipping containers comprising the inspection lot have been stamped with the official USDA stamp impression.

(c) The USDA certificate of loading, if issued, bears a cross-reference to the applicable USDA inspection document.

(iii) Indicate that the contractor has furnished a certificate of conformance for packaging, packing, labeling, marking and unitization materials.

(iv) Indicate the random samples of packaging, packing, labeling, marking and unitization materials, where applicable, have been selected by the inspector for forwarding to DLA Analytical Laboratory, 700 Robbins Avenue, Philadelphia, PA 19111 in accordance with DSCP clause 52.246-9P20.

(v) Indicate the applicable contract or order number.

(2) Inspection by USDA, AMS, Livestock, Meat, Grain and Seed Division: For all shipments, whether DD Form 250 (MIRR) is required or not, the contractor shall obtain a USDA agricultural products acceptance certificate (Form LS 5-3), which shall contain the information specified in paragraph (c)(1). The contractor shall also include the applicable lot number(s).

(3) Inspection by USDA, GIPSA, Field Management Division: When DD Form 250 (MIRR) is not required, the contractor shall obtain an official USDA inspection or examination certificate, as appropriate. In addition to the entries required by the GIPSA, the certificate shall contain the following certification: "Supplies listed hereon conform to all quality and condition requirements of the contract."

(d) Distribution of Certificates.

Copying machine duplicates of USDC certificates and USDA certificates other than USDA Form LS 5-3 are not acceptable. Copying machine duplicates of USDA Form LS 5-3 are acceptable only as provided in paragraph (2) and (3) below. Copying machine duplicates of the original signed DD Form 250 are acceptable. In addition to the prohibited use of copying machine duplicates, USDC certificates must also be embossed with the official seal of the USDC. The contractor shall distribute certificates as follows:

(1) When DD Form 250 (MIRR) signed by the inspector is provided, a copy of the USDA/USDC inspection certificate need not be furnished to the designated paying office.

(Exception: When the contract or specification provides for acceptance of product with a price adjustment to the contractor" invoice, e.g., excess fat in ground beef, the original signed USDA/USDC inspection certificate must be attached to the top of the commercial invoice which is submitted to the designated paying office.)

(2) When DD Form 250 (MIRR) is not required, the original signed USDC inspection certificate or USDA inspection certificate other than USDA Form LS 5-3 must be attached to the top of the commercial invoice, which is submitted to the designated paying office. When the services of the USDA, AMS, Livestock, Meat, Grain and Seed Division are employed, the original signed USDA Form LS 5-3 or a copying machine duplicate of the original form LS 5-3 with an original signature must be attached to the top of the commercial invoice which is submitted to the designated paying office.

(3) As appropriate for any shipment, one blue or green signed copy of the original USDA Fruit and Vegetable Division certificate; one green or yellow carbon copy of the original signed USDA, AMS Dairy Division or Poultry Division certificate; one copy of the original signed USDA, GIPSA or USDC certificate; one copy of the original signed USDA Form LS 5-3 or a copying machine duplicate of the original USDA Form LS 5-3 with an original signature shall accompany each shipment to each destination and be marked ATTN: Subsistence Inspector.

(4) In the event the contractor does not include appropriate certificate(s) with each shipment to each destination as required, the government reserves the right to arrange for government grading/inspection and certification at destination at the contractor's expense.

(e) Lot Identification.

The contractor shall code or distinctively mark by embossing, stamping, printing or stenciling each shipping container for every lot of supplies offered for acceptance so as to identify the lot from any other lot produced by the contractor. Under both in-process (on line) and stationary lot inspections, the maximum lot size, unless otherwise specified in the contract, shall be defined by the assigned inspection agency.

(f) Particular Inspection Requirements.

(1) **Primary Containers:** Examination of primary containers for external condition and labeling shall be in accordance with the U.S. standards for condition of food containers, except that when requirements are contained in the specification, examination shall be performed in accordance with that specification. When additional requirements are specified in the specification, examination for these requirements shall be in accordance with the specification.

(2) **Unit Loads:** Examination of unit loads shall be in accordance with MIL-L-35078.

(3) **All Other:** Examination shall be in accordance with the specification.

(g) **Origin Inspection** shall be contractor paid USDA, AMS, FV, PPB inspection in accordance with DSCP Clause 52.246-9P09.

B. Optional contractor testing is provided by the alternate inspection requirements DSCP Clause 52.246-9P10.

52.246-9P10 ALTERNATIVE INSPECTION REQUIREMENTS FOR SELECTED ITEMS (JAN 1998) DSCP

Optional Contractor Testing of Contractor Furnished Materials.

(a) Option Statement.

To expedite shipment, the contractor has the option to perform or have performed by an independent laboratory, contractually required tests of end item or component material not specified by the U.S. Standards of Grade. The inspector for the government agency having jurisdiction upon ascertaining compliance may permit shipment, provided all other requirements of the contract are met. The designated government inspector will select random samples of each lot of end items or component material for verification testing until contractor's testing system is determined reliable. It is the intent of the government to rely on the contractor's test results and minimize government verification testing.

(b) Compliance of Product.

Acceptance of material as complying with required characteristics shall be based on the contractor's test results provided that government verification indicates contractor's test system is reliable as to each of the required characteristics. Where the contractor's test system is determined unreliable, product compliance will be based solely on government test results. In the event that the government detects irregularity in contractor's testing system, the designated government inspector may withhold approval until government test results indicate product conformance to contract requirements. For Meal, Ready-to-Eat (MRE) items, if government laboratory test results show that product is nonconforming, although previously approved by the government inspector, the product shall be withheld from final assembly and subject to return and replacement by the component contractor.

(c) Reliability Conditions.

(1) The contractor's testing system will be considered reliable as long as its test results are comparable to the government test results unless the government agency having jurisdiction has inspected the item produced at the contractor's plant within the previous 120 days, the inspector will select random samples of the first three lots of end items reliable, the government inspector will sample product for verification testing on a skip-lot basis. Unless otherwise required by DSCP or the inspection activity, skip-lot verification shall be done by random selecting not less than one lot in six consecutive lots presented for inspection of a specific item. The sampling procedure under skip-lot places the succeeding lots not chosen for inspection back into the universe available for subsequent inspection. For instance, starting with a group of six lots (i.e. 1-6), randomly select one of them for inspection. If lot 4 were selected, the next lot would be selected from lots 5, 6, 7, 8, 9, or 10. If lot 8 were chosen at random, the next selection would be from lots 9, 10, 11, 12, 13, or 14, and so on.

(2) Contractor's testing system will be considered unreliable when the government verification results indicate product nonconformance to contract requirements and a significant disparity exists between government laboratory results and contractor's testing results. When a contractor's test

system is determined to be unreliable, compliance testing will revert to the government. Items must be government inspected prior to shipment.

(3) Contractor's testing system will be considered doubtful when a significant disparity exists between government laboratory results and contractor's test results and the former indicates significantly poorer quality than the latter; however, the government laboratory test results do not indicate product nonconformance to a statistically significant degree. When the contractor's testing system is considered doubtful, verification testing will be performed on each lot produced. However, the government will continue to permit the contractor to ship based on its own test results.

(4) Contractor testing system reliability will be determined by applying recognized statistical tests to the contractor's and government's test results. These determinations shall be accomplished by the Defense Supply Center Philadelphia, Directorate of Subsistence, Product Services Office, 700 Robbins Avenue, Philadelphia, PA 19111-5092.

(5) The contracting officer will notify the contractor of any change in reliability status. Notification will include details of the statistical determinations and test results used in reliability studies. Telephonic notification and copies of these determinations will be provided to the government by DSCP-HS.

(d) Procedures.

When the contractor elects to perform testing, the following shall apply:

(1) Reporting of Contractor's Results. Test reports for each lot of end item and components shall be submitted in the format contained in this clause by the contractor in an original and one copy to the designated government inspector. The inspector shall forward one completed copy to DSCP-HS.

(2) Verification Actions. The government shall perform verification testing for food items and component material required by the contract to assure that the contractor's testing results are reliable. Verification samples will be accompanied with a DD Form 1222, request for and results of tests. Copies of the results of testing performed by the government shall be given to the government inspector, and DSCP-HS by the government laboratory that performed the tests. The results of nonconforming lots will be telephoned to DSCP-HS (215-737-4259). The government reserves the right to increase the rate or amount of verification testing to and including full lot-by-lot testing, in the event the contractor does not furnish reliable test results or certificates, or to obtain additional data when significant disparities exist between the contractor's results and the results of the government laboratory. When any element of the contractor testing system is determined unreliable, the government may consider the testing system as a whole unreliable, and return to full lot-by-lot verification for each and every test. Testing by the government will continue until such time as the contractor's reliability is again established.

(3) Standby Test Samples. The government reserves the right to withdraw and hold standby test samples of component or finished product or both (quantity of which shall be the next larger available sample size required for unit testing and the same sample size required for composite testing) for inspection purposes. Unused samples will be returned to the contractor.

(e) Charges Applicable to Unreliable Test Status.

The prime contractor will be charged the costs of lot-by-lot inspection during the period that its test system status is considered unreliable. These charges will be processed by and approved by the contracting officer.

(f) Format for Contractor/Subcontractor Test Report.

Name & Address of Contractor:

Name & Address of Subcontractor: (if applicable)

Received for Testing: (date)

Contract Number:

Sample Tested: (end item or component, indicate by name)

Quantity Tested:

Applicable Specification:

Identification of Lot: (end item or component lot number, as applicable)

Quantity in Lot: (units)

Testing Completed: (date)

(g) Test Report

(Report test results for each sample unit tested and the sample average, if required by the specification, and identify results obtained from composite samples.)

(Typed name and title of laboratory official and signature)

The following certification shall be affixed to the test report when testing was performed on component item by supplier's laboratory or by subcontractor's laboratory.

Certification

I certify that the above test results were furnished to this firm to cover the testing of samples which are representative of the lot, and to the best of my knowledge and belief, have been found to comply with the analytical requirements of the specification under:

(Contract Number)

(Signature)

(Printed name and title of contractor's representative who is authorized to sign the certificate, and the date)

The following certification shall be affixed to the test report when testing was performed on component and/or end item by contractor's laboratory or an independent laboratory.

Certification

I certify that the item presented for acceptance under terms of above referenced contract has been tested, as required by the contract, through the testing of samples that were representative of the lot, and to the best of my knowledge and belief, were found to comply with the analytical requirements of the specification and the contract.

(Signature)

(Printed name and title of contractor's representative who is authorized to sign the certificate, and the date)

Distribution:

Original and 1 copy to government inspector of which one copy will be forwarded promptly to DSCP-HS. Copy with each shipment, when DD Form 250 (MIRR) reports are not provided

C. Certificate of Conformance (COC). When permitted by the applicable food component specification, a Certificate of Conformance (COC) for ingredients shall be provided.

CERTIFICATE OF CONFORMANCE DECEMBER 2003

(a) Unless otherwise specified in the contract, the contractor shall furnish a Certificate of Conformance stating the products offered for acceptance meet all the terms and conditions of the contract. This document shall be on company letterhead, signed by the company's Certifying Official. In addition, the document shall contain the Contract Number, Item Nomenclature, Contract Line Item Number, National Stock Number, and include a statement as listed in paragraph (c) below that the product meets all the requirements of the contract.

(b) When specified, the contractor may also furnish a Certificate of Conformance for certain components/ingredients or end item characteristics. The contractor may still furnish a certificate covering any of the foregoing even though a subcontractor provided the materials. In such event, the contractor is responsible for assuring that the materials met all contract requirements. For this reason, the contractor should request a Certificate of Conformance from the subcontractor.

(c) The certificate of conformance should be worded substantially as follows:

(1) I certify that all (indicate type of material) called for by the contract conform to applicable contract requirements in every particular. (For meats only, the contractor must also state that "no distressed, reconditioned meat has been used.")

(2) Such materials consist of the following: (Specify quantity, manufacturer, nomenclature and contract line item number for each item.)

Signature and Title of Certifying Official

Distribution: One copy to origin inspector, when applicable. A copy is not required with shipment when origin USDA/USDC inspection. One copy with invoice for payment is required when a DD Form 250 is not used.

(d) It is the intent of the Government to be able to rely on the Certificate of Conformance. To assure that the certificate is reliable, the Government reserves the right to perform verification testing of each component for which specifications are established in the contract. Random samples shall be personally selected by the cognizant Government inspector. Random samples of packaging, labeling, packing and marking materials shall be submitted to the DLA analytical laboratory with a copy of the DD Form 1222 furnished to DSCP-HSQ. Food component materials shall be sent to the laboratory servicing the inspector's organization. All costs incident to the sampling and submittal of materials shall be borne by the contractor. The reliability of the contractor's certificate of conformance will be determined on the basis of government verification results.

(1) When it is determined that the analytical laboratory test samples meet the contract requirements, the Certificate of Conformance for these materials is considered reliable.

(2) When DSCP finds the materials do not meet the contract requirements based on recognized statistical methods, the Certificate of Conformance is considered unreliable. The contractor shall be so advised and the particular deficiencies which render such certificate unreliable shall be identified. The unreliability status may be continued from contract to contract regardless of the particular contract on which the verification tests, or submission by contractor of nonconforming material, has occurred. The contractor is responsible for all costs incurred by the Government in performing tests of future samples submitted for testing after such time as the Government has informed the

contractor of the unreliability status and until reliability is again established to the satisfaction of the contracting officer. Testing and administrative costs shall be assessed at the prevailing rate.

PART I - INSPECTION AND ACCEPTANCE

D. Higher Level Quality Requirements - Documented Quality Systems Plan (QSP)

The contractor shall model the documented QSP after ISO/ANSI/ASQC Q9001, a system that meets other recognized industry quality standards, or a process control system that is equivalent to or better than ISO/ANSI/ASQC Q9001. The contractor shall identify the quality standard used to model their QSP. If the contractor proposes an alternate (i.e., non-standard) process control system, this shall be clearly stated in the QSP. Some contractors may have third party certification of their quality system, which the private sector devised to administer the ISO series standards. However, third party certification by any third parties, to include Government certifications, is not required. Whether or not contractors want to use third party certification is completely optional on their part. Although certification information may be provided as documentation and evidence to support the system proposed by the contractor, third party certification/registration documentation is not a substitute for government quality assurance with regard to components used in the operational ration programs. Regardless of the standard or non-standard document used to model the documented QSP, the documented QSP shall address, at a minimum, the following elements (within each section of the element the contractor shall provide the information and address the questions, as applicable, listed in Operational Rations Quality Systems Audit Workbook I: Documented QSP Evaluation Guideline:

QSP General Outline

- I. MANAGEMENT RESPONSIBILITY AND QUALITY SYSTEM DESIGN**
- II. TRAINING**
- III. DOCUMENT AND DATA CONTROL AND CONTROL OF QUALITY RECORDS**
- IV. CONTROL OF INSPECTION, MEASURING, AND TEST EQUIPMENT (IAW ANSI/NCSL Z540-1 or ISO 10012-1)**
- V. CONTROL AND PROTECTION OF PRODUCT AND FOOD SECURITY**
 1. Handling, Storage, Packaging, Preservation, and Delivery Program
 2. Product Identification and Traceability Program
 3. Inspection and Test Status and Records
 4. Control of Nonconforming Product
 5. Food Security
- VI. CONTRACT REVIEW, PURCHASING AND CONTROL OF CUSTOMER-SUPPLIED PRODUCT (Government-furnished material)**
- VII. RECEIPT INSPECTION AND TESTING**
- VIII. IN-PROCESS AND PROCESS INSPECTION AND TESTING:**
 1. Manufacturing Process Controls Techniques (DLAR MPC Clause)
 2. Statistical Process Control Techniques (SPC QAP)
- IX. REGULATORY CONTROLS**
 1. General Regulatory Requirements (as applicable to the plant USDA-FSIS, FDA, GMP, HACCP, SSOP, USDA-Dairy, etc.).
 2. Integrated Pest Management and Sanitation Programs
- X. END ITEM INSPECTION AND TESTING (IAW product/material specifications/documents and ANSI/ASQC Z1.4),**
- XI. INTERNAL AUDITS**
- XII. CORRECTIVE AND PREVENTIVE ACTION PROGRAM**
- XIII. IMPROVEMENT**

The documented QSP will be evaluated by the Operational Rations Quality System Audit Team (composed of DSCP-FTRO, USDA-AMS, and VETCOM's Quality Systems Auditors), USDA-AMS/VETCOM Operational Rations Program Coordinators, and the Government In-Plant Quality Assurance Representatives (QAR) assigned to perform Government QA functions at contractors' facilities. Government personnel will use the Operational Rations Quality Systems Audit Workbook I: Documented QSP Evaluation Guideline (in conjunction with the standard or other document identified in the contractor's QSP) as the basic framework against which they will evaluate QSPs. Workbook I was developed to standardize the evaluations of documented QSPs (developed using ISO/ANSI/ASQC Q9001, other recognized industry quality standards, or a non-standard contractor's specific process control system) submitted by contractors for the purpose of demonstrating their capability to meet the higher-level contract quality requirements using any of the aforementioned documents and for the contracting officer to assess a contractor's capability to meet the contract requirements.

NOTE: Although Government inspection personnel (USDA-AMS/U.S. Army Veterinary Services/DCMAO) are required to evaluate the contractors' QSPs, the QSP rating will be determined and assigned by DSCP-FTRO Quality Systems Auditors.

Offerers/Contractors can request a copy of Workbook I by contacting the applicable contracting officer or DSCP-FTRO. Workbook I is also available online in PDF format at the following website <http://www.dscp.dla.mil/subs/rations/QSP.pdf>. DSCP will recognize a contractor's quality system whenever it meets the contract requirements, whether the quality system is modeled on military, commercial, national or international quality systems standards. The design and implementation of a QSP will be influenced by the varying needs of a company, its particular goals and objectives, the products produced and the processes and specific practices employed in the operation. The intent of the requirement is for contractors to improve process capability, process control which, when used effectively, can result in a prevention-oriented approach rather than a detection approach that will improve product quality and lower cost through the use of a single quality system in any contractor facility.

A documented QSP is required when a contract references or requires a contractor to perform under the higher-level contract quality requirements. Contractors are responsible for complying with the quality system requirements set forth in their documented QSP in addition to all detailed requirements cited in the contract and for furnishing products that meet all requirements of the contract. Contractors are required to establish, document, submit for Government review, and maintain a quality system as a means of ensuring that product conforms to the requirements of the contract. The documented QSP shall include the quality system procedures and outline the structure of the documentation used in the quality system. When the requirements of the Statistical Process Control Quality Assurance Provision (SPC QAP) and/or the DLAR MPC Clause 52-246-9001 Manufacturing Process Controls and In-Process Inspection are applicable, these requirements must be addressed under the In-Process and Process Inspection and Testing section of the documented QSP. Redundant areas/requirements (cited in the MPC Clause or the SPC QAP) need only be addressed once in the QSP. The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540-1 or ISO 10012-1.

The Higher Level Contract Quality Requirements, Manufacturing Process Controls (MPC) Clause 52.246-9001, and Statistical Process Controls Quality Assurance Provision (SPC QAP) apply to all CFM and GFM food components and Sub Assembly and Assembly Operations, except as indicated below:

A. **SPC techniques are optional** for the following items: Bulk-packed MRE crackers and oatmeal chocolate covered cookies, dairy shakes, beverage bases, cheese spreads, peanut butter, jellies/preserves, cocoa beverage, and nut raisin mix.

B. The following items are exempt from the Higher Level Contract Quality Requirements, MPC IAW Clause 52.246-9001 and the SPC QAP: Accessory package components, hot sauce, bulk packed items (beef snacks; cereal treats; chocolate sports bar; chow mein noodles; fruit bars (CID AA-20212); granola bars; osmotic fruit; cookies (CID AA – 20295, PCR-C-031, PCR-C-046); peanuts, roasted; snacks (CID AA-20195); sandwich crackers, and bulk packed items procured using the commercial components solicitation (e.g., candies). However, this does not prohibit the prime contractor from requiring it from their subcontractors on their own accord. Bulk packed, as used in this paragraph, means packing prior to finished product packaging.

NOTE: TO THE EXTENT OF ANY INCONSISTENCY BETWEEN THE CONTRACT OR ITS GENERAL PROVISIONS AND A CONTRACTOR'S QSP AND OR IMPLEMENTED QUALITY SYSTEM, THE CONTRACT AND THE GENERAL PROVISIONS SHALL CONTROL.

The QSP shall be submitted to DSCP-FTRO, through the Contracting Officer, for review no later than at time of bid submittal to determine if the QSP meets the acquisition needs. The QSP shall be DOCUMENTED, DATED, AND SIGNED BY A RESPONSIBLE COMPANY OFFICIAL and WILL BE DISTRIBUTED UNDER COMPANY LETTERHEAD TO THE ADDRESSEES BELOW:

A. ONE COPY SHALL BE MAILED (AT TIME OF BID SUBMITTAL) TO:

DEFENSE SUPPLY CENTER PHILADELPHIA

ATTN: DSCP-FTRO (Operational Rations Quality Systems Audit Team or Applicable Contracting Officer)

**700 ROBBINS AVE., BLDG 6
PHILADELPHIA, PA 19111-5092**

B. AFTER CONTRACT AWARD ONE COPY SHALL BE MAILED PRIOR TO THE INITIATION OF PRODUCTION TO EACH OF THE FOLLOWING GOVERNMENT INSPECTION OFFICES:

1. USDA-AMS OFFICES: When USDA-AMS is responsible for performing Government source inspection at a ration facility one copy shall be mailed to each of the following USDA-AMS offices:

**a. HEAD, DEFENSE CONTRACT INSPECTION SECTION
USDA/AMS/FFV/P BRANCH (202) 720-5021
ATTN: Richard Boyd/Donna McCarter
P. O. BOX 96456
ROOM 0726, SOUTH BLDG.
WASHINGTON, DC 20090-6456**

**b. USDA-DCIS OPERATIONAL RATIONS COORDINATOR
USDA/AMS/FFV/P BRANCH (630) 790-6957
800 ROOSEVELT ROAD, SUITE 380
GLEN ELLYN, IL 60137**

c. USDA-AMS INSPECTION AREA OFFICE: The contractor/subcontractor shall contact USDA-DCIS for the applicable area office address (Weslaco, TX, East Point, GA, North Brunswick, NJ, South Bend, IN, Richmond, VA, etc).

2. GOVERNMENT IN-PLANT INSPECTOR/GQAR: When a Government (USDA-AMS, AVI, or DCMA) inspector is assigned to perform Government source inspection at a

contractor/subcontractor facility, one copy shall be personally delivered to the Government inspector prior to the initiation of production.

Aforementioned Government inspection personnel and In-Plant Government QARs shall fax, e-mail, or mail (via priority mail) their evaluations and comments to the contractor's QSPs and/or QSP's revisions, within 20 calendar days from the day of receipt of the QSP/revision.

Failure to submit comments within the suspense date may result in DSCP-FTRO Quality Systems Auditors not including the applicable inspection agency's comments in Government QSP joint evaluations. In-Plant Government QARs are also required to report quality systems noncompliances within one working day using the Corrective Action Request (CAR) Form. QSP evaluations and CARs shall be faxed to the DSCP-FTRO Operational Rations Quality Systems Audit Team at fax number (215) 737-0379, the current DSCP-FTRO' personnel E-mail addresses or mailed to the following address (the prefer and most expeditious method is via E-mail or fax):

**DEFENSE SUPPLY CENTER PHILADELPHIA
ATTN: DSCP-FTRO (Operational Rations Systems Audit Team)
700 ROBBINS AVENUE
PHILADELPHIA, PA 19111-5092**

During the Acquisition Phase: During the acquisition phase (prior to contract award), the documented QSP will only be considered either sufficient or insufficient for production (no unacceptable/acceptable rating will be assigned). If a plan as presented is determined to be insufficient for production (which would occur if it does not address the aforementioned minimum elements and include documents/procedures indicated in Workbook I as applicable, or if it determine that the plan as presented will result in an increase in the consumer's risk, production of nonconforming products or does not meet specification requirements/acquisition needs), the contracting officer, at his/her discretion, may provide the contractor with DSCP-FTRO' QSP evaluation comments as to cause(s) of why the plan was considered insufficient for production and with the opportunity to resubmit a revised QSP. **If a contractor has previously submitted a QSP and the rating was, at a minimum, marginally acceptable, the contractor may reference this QSP by date and only changes (if deemed necessary) need to be submitted at time of bid submittal for this or for future contracts.**

After the Acquisition Phase: After the Acquisition Phase (after contract award), if the contractor submitted a new QSP, DSCP-FTRO will assign a rating of acceptable, marginally acceptable or unacceptable (to a QSP rated sufficient for production during the acquisition phase) within 60 days of contract award. If a contractor's QSP is rated unacceptable after contract award, the QSP must be revised to receive, at a minimum, a marginally acceptable rating within 90 days of contract award. The contractor will also be provided with an opportunity to submit changes to improve the plan throughout the life of the contract.

DSCP-FTRO Quality Systems Auditors evaluate, assign QSP ratings, and approve or disapprove changes to the QSP. **QSP procedures or changes to a QSP that may involve a change to a specific contractual requirement (cited in the contract TDP/ items specification/CID) must be coordinated and approved by the Contracting Officer.** To expedite the evaluation process, all QSP changes (that do not involve a specific contractual change) shall be simultaneously provided to the In-Plant GQAR and a copy faxed, E-mailed, or mailed to DSCP-FTRO and each applicable office for their review.

The Government QAR's in-plant evaluation will be considered sufficient for production, unless specifically rejected by DSCP-FTRO after the contractor submits the change to DSCP. The contractor's documented QSP is considered a living document and continuous improvements are highly encouraged.

Implementation, compliance, effectiveness, and continuous improvement of the QSP and the implemented quality system will be monitored by on-site quality systems compliance audits conducted throughout the life of the contract by the Operational Rations Quality Systems Audit Team and evaluations/internal audits conducted by the In-Plant Government QARs.

If a contractor fails to submit an acceptable QSP or copies of their QSP's revisions to the Government for review or does not comply with other requirements of the contract, the Government may decline to perform verification acceptance inspection at that time and or refuse to accept any product produced in accordance with FAR 46.102 and 46.407. Additionally, the Government may also withdraw the acceptance of a QSP during the contract period if it is determined that the contractor has not implemented, complied with the documented QSP, or the implemented quality system is not sufficient to meet minimum contractual requirements.

NOTE: DSCP-FTRO and/or the Government QARs shall immediately notify the Contracting Officer of ALL noncompliance to specific contractual requirements. DSCP-FTRO will notify and/or obtain contracting officer's support/involvement when a contractor fails to comply with the approved documented QSP requirements or fails to respond to quality systems deficiencies noted during an on-site compliance audit or evaluations/audits conducted by In-Plant Government QARs.

The offeror/contractor agrees to maintain current, and make available, all documents/records required by the documented QSP for Government review at any time throughout the life of the contract and for three years after final delivery on the contract (to include any documents/records maintained by any subcontractor used by the prime contractor to fulfill a Government contract).

NOTE: The procedures of how a contractor intends to comply with the requirements of the MPC Clause or the SPC QAP, as applicable, shall be covered in the In-Process and Process Inspection and Testing Section of the contractors' documented QSP/Quality Manual. If the contractor uses a different/numbering system than the Section/Element number cited in the TDP, the contractor's should cross-reference each applicable section of their QSP.

QUALITY ASSURANCE PROVISION Statistical Process Controls DSCP-H-94-001

Quality Assurance Provision (QAP) - Statistical Process Controls (SPC). The requirements of this QAP shall be addressed in the Documented Quality System Plan (QSP) when applicable. Redundant areas/requirements cited in this QAP and the MPC Clause need only be addressed once in the QSP and must encompass the requirements of the most stringent document.

I. General Requirements:

- A. The offeror/contractor agrees to manage and improve process performance through the evaluation of the quality of the product at the prime contractor and, when required by contract, at subcontractor facilities, using SPC techniques.
- B. Minimum criteria are established in the American Society of Quality Control (ASQC) standards B.1, B.2 and B.3 (formerly the ANSI standards Z1.1, Z1.2, and Z1.3). Alternate SPC techniques such as short run methods are also allowed where applicable.
- C. This QAP applies to all work performed at the prime contractor and, when required by contract, at subcontractor facilities. However, in those instances where it is not required of the subcontractor

by contract, it does not prohibit the prime contractor from requiring it from their subcontractor of their own accord.

D. The implementation of SPC techniques and procedures shall be prepared in accordance with this provision and included in the documented QSP. Each Offeror shall address the requirements of this QAP in their documented QSP (Element X) and included with the proposal, when applicable. Failure to do so may result in rejection of the offer.

E. Exclusion of SPC plan submission:

1. Offerors who consider themselves eligible for exclusion of the documented SPC submission, based on satisfactory utilization of a previously approved QSP for identical or similar supplies, are to submit a written request for exclusion (RFE) to the Procuring Contracting Officer (PCO).

The offeror shall identify in the RFE the contract number(s) under which the supplies were previously furnished by them and accepted by the Government; the applicable item nomenclature and National Stock Number(s); the date of the documented QSP plan to include revisions; the Government approval authority and date; and the Government office(s) where the documented QSP plan is maintained. In addition, only applicable QSP changes/revisions/updates need to be submitted along with the RFE at time of proposal. NOTE: Changes/revisions/updates must be well identified, dated and organized to facilitate posting to the QSP.

2. If SPC techniques were previously submitted and found acceptable (in a QSP previously submitted and maintained by DSCP-FTROS), the offeror shall certify that the processes are in a state of statistical control, and that the products produced conformed completely to contractual requirements.

II. Specific Requirements:

A. The offeror shall identify the characteristics to be controlled using SPC techniques. Application of SPC techniques shall be considered for all characteristics identified by performing Pareto Analysis on the defects from previous production, or projection of potential defects in future production, to discern the vital few and repetitive type failures from the trivial many. Additionally, offerors are encouraged to calculate quality costs to assist in determining what characteristics or processes to control statistically (QSP optional Element XIV). These defects, and all other characteristics identified by the offeror from process capability studies on current production, shall be subject to the application of SPC techniques. The characteristics requiring control will be those characteristics providing the best assurance of product conformance to contractual requirements. In addition to the characteristics identified by the offeror, the following characteristics designated by the PCO will be controlled using SPC techniques or other alternate controls. Alternate controls to SPC must be clearly identified and cross-referenced in Element VIII of the QSP (alternate control procedures shall be submitted to the PCO for his approval).

1. For Water Activity Stabilized Items: (1) Tray integrity, (2) Tray pack can seam integrity, and (3) All water activity stabilized items - control of water activity, and oxygen scavenger placement. These control points shall be identified by the manufacturer and shall be provided as part of the SPC techniques.

2. The offeror shall identify in writing any changes to the characteristics initially identified (either offeror or Government designated), to be controlled using SPC to the PCO for review and determination of acceptability.

B. The SPC techniques will be evaluated as part of the documented QSP for the firm or firms eligible for award. The SPC program will be evaluated to determine if:

1. The plan addresses all required elements.
2. The information required is clearly identified.
3. Each element is adequately explained.
4. The contents of the documented QSP are adequate and will assure the successful implementation of SPC at the contractor's and/or subcontractor's (as applicable) plant.

NOTE: Evaluation of the documented QSP (and the SPC program) may require the Government to visit the contractor's and/or subcontractor's (as applicable) plant.

C. The PCO has final approval/rejection authority (based on recommendation provided by DSCP-FTROS) of the documented QSP and the SPC techniques. Unacceptable or seriously deficient documented QSP may preclude the offeror from receiving an award. However, the PCO may permit an offeror to revise a deficient QSP provided it is reasonably capable of being made acceptable. Failure to negotiate an acceptable QSP may also preclude the offeror from receiving an award.

D. After award of the contract, the PCO will provide a copy of DSCP-FTROS' QSP evaluation and rating sheet to the applicable contractor and the In-Plant Government QAR.

E. SPC Program: The SPC program shall cover, as a minimum, the following (this information may be covered under Element X or other applicable element of the QSP):

1. The characteristics (as designated by the offeror and/or the Government) to be controlled using SPC techniques.
2. Operations where SPC will be implemented.
3. SPC methods to be applied.
4. Process capability studies to be completed.
5. Methods for control of vendor quality.
6. The sample size and frequency of measurements.
7. The criteria to be used in modifying sample size and frequency of measurements.
8. The audit procedures used to validate the accuracy, adequacy and interpretation of control charts.
9. Training and qualification requirements for personnel involved in SPC.
10. Criteria for determining an out-of-control condition.
11. Identification of personnel (by position) responsible for performing measurements and corrective actions.
12. General policy for applying SPC along with goals and commitment.
13. Documents and records utilized in the SPC program.
14. The corrective action procedures to be used and actions to be taken upon statistical signal of an out-of-control condition.
15. Documents that are the basis for their SPC program.
16. SPC structure within the corporation.
17. Test/measurement equipment calibration and control.

F. Structure: The SPC plan should be structured to cover the following areas (the information may be covered under Element X or other applicable element of the QSP):

1. Policy/Scope:
 - a. Applicability:

- What is the contractor's policy for applying SPC?
- What are contractor's goals and commitments regarding SPC and continuous process improvement?
- May also discuss alternatives to SPC that have successfully reduced/prevented the production of defects.

b. Applicable documents: List of documents that are the basis for the SPC program including, internal audits, text books, standards, and or Government documents.

2. SPC Management Structure (the following information may be covered under Element I or other applicable elements of the QSP):

a. SPC structure within the corporation. Include the relationship of quality to manufacturing and to the overall organizational structure.

b. Delineation of SPC responsibilities by position (who does what and when)?

- Who performs inspections?
- Who has responsibility and authority for acting on problems?
- Who decides on corrective action?
- Who implements the corrective action?
- Who performs audits?
- Who maintains control charts?

3. SPC Training: (the following information may be covered under Element II of the QSP):

- Delineate types and extent of training (academic, OJT, etc.) for various personnel disciplines.
- Who, how much, and where?
- Is there a certification/qualification procedure?

4. Vendor/Subcontractor/Purchase Controls (the following information may be covered under Element VI or other applicable element of the QSP):

- Are suppliers required to use SPC?
- To what extent are vendor's policies consistent with in-house policies and procedures?
- How is it determined that suppliers have adequate controls to assure no defectives are produced or delivered?
- Auditing - what, how often and to what standard?
- How are vendors' SPC programs approved?

5. Manufacturing Controls: (IAW DLAR Clause 52-246-9001 Manufacturing Process Controls and In-Process Inspection as applicable. The following information may be covered under Element VIII of the QSP):

- Delineate each manufacturing process (sequenced in relation to the processes flow or chain of events from ingredients to final shipment), the characteristic controlled, the control measures, and the location, type and number of machines involved in each process of the manufacturing system. NOTE: The description shall be sufficient to allow a reviewer unfamiliar with the item to properly assess the applicability of the control measures being proposed.

- How does SPC influence/feedback to set up and control of manufacturing machines and product?

6. Statistical Process Control Procedures (General):

a. Criteria for use of SPC:

- How is it determined which processes are appropriate for use of SPC?
- Are there different criteria for critical, major, minor characteristics?
- What actions are taken if SPC is not deemed appropriate for a particular process?

b. Process capability studies (application): A capability study must be conducted to determine the relationship of the natural manufacturing variability to the specified tolerance for each characteristic specified.

- When are the studies to be performed, in relation to award of contract?
- What is trying to be controlled with the use of the SPC techniques?
- What sampling rationale is to be employed, in terms of location, stratification and sample sizes?
- How is the shape of the distribution determined?
- How is the standard deviation of the individuals calculated?
- What is to be done if normality does not apply?
- What criteria will be used to characterize capability?
- What is the policy when capability is determined to be poor or marginal?
- Give your definition of "poor" and "marginal".
- What will be done if the process proves to be not capable or not in control?

c. Control chart, policy:

- Types of charts and rationale for use.
- How limits are established.
- How limits are adjusted and how often.
- Criteria for action: out-of-control process.
- Criteria for action: nonconforming product.
- Criteria for sample size/frequency.
- General policy: production rate vs. inspection frequency.
- General policy: redundant actions (identical machines, identical stations).
- Policy for establishing rational subgroups.
- How is the process defined (i.e., is data sufficiently stratified?)
- SPC corrective actions/failure analysis program. Include typical actions to be taken by inspections, operators, supervisors and management.
- Are pertinent facts recorded on control charts (such as when raw material supply is changed).

d. Computer hardware/software used for SPC (if applicable).

7. Test/Masurement Equipment Calibration and Control:

Describe general policy for measurement and test equipment especially in regard to the use of SPC (this information may be covered under Element IV of the QSP).

8. SPC Auditing and Review Procedures (the following information may be covered under Element XII of the QSP):

- Audit of inspection accuracy (verification, inspection).
- Audit of control charting procedures.
- How is it determined that the charts are accurate and adequate?
- Discussion of how charts are kept, actions recorded, audit trails maintained, etc.)
- Reviews: Who participates? How often held? What will be discussed?

9. SPC Records. How the following records apply/correlate to the SPC program: Incoming inspection, manufacturing inspection, subcontractor inspection, internal and external failure reports, corrective action reports, control charts, scrap and Re-work reports, lessons learned, recommendations and feedback, etc. (This information may be covered under Element III of the QSP).

G. The offeror/contractor agrees to maintain current, and make available, all documents/records required by the SPC QAP and the documented QSP for Government review at any time throughout the life of the contract and for three years after final delivery on the contract (to include any documents/records maintained by any subcontractor used by the prime contractor to fulfill a Government contract).

1. The contracting officer may, at any time during the life of the contract, withdraw acceptance of the documented QSP plan whenever the Government's evaluation or verification determines the system to be ineffective in supporting the quality requirements cited in the detailed specifications or in meeting other contractual requirements.

2. If there is any discrepancy between the contractor's documented QSP or the quality system implemented, the contract requirements (item specification and other requirements cited in the contract) shall take precedence.

H. When processes reach a state of statistical control and the product conforms completely to all contractual requirements, the offeror may petition the PCO, through the applicable CAO/IA for Government verification skip lot inspection and/or to reduce the contract acceptance sampling requirements. Previous contractual acceptance sampling criteria will not be changed until the PCO provides written approval to do so. The Government reserves the right to return to the original acceptance sampling requirements at any indication of a loss of process control or a degradation in the product conformance to contractual requirements (such as, but not limited to contractor requests for waivers and/or deviations and any other type of valid product or quality system nonconformance).

I. The documented QSP shall be documented, dated, and signed by a responsible company official, and will be distributed under company letterhead as indicated in paragraph E-1 "Higher Level Requirement - Quality Systems Plan (QSP)". The contractor is required to incorporate the requirements of this SPC QAP in the documented QSP (Element X and or cross-reference the required information within other elements of the QSP as applicable).

E. General Inspection (Examination/Testing) Requirements

(A.) When contractor determines as a result of his inspection(s) or QSP, or is informed by the QAR as a result of verification inspection, that the supplies do not conform to contractual requirements, he has the following alternatives:

1. Produce and inspect a new lot.
2. Screen or rework and reoffer conforming supplies (provided screening or reworking is not detrimental to the product and does not conflict with other requirements, e.g. time, temperature, etc.) See E-7 "Rework of Nonconforming Product Pre or Post Acceptance" for applicable situations.

3. Request the Contracting Officer to consider acceptance of the nonconforming supplies in accordance with paragraph E-1-A-8 "Request for Rework, Request for Waiver, Request for Deviation, or Reinspection of Nonconforming Supplies".

4. When valid technical reason(s) exist for suspecting the verity of the inspection results, request the Contracting Officer's permission to reinspect the supplies without screening or reworking. The request must be made in writing in accordance with paragraph E-1-A-8 "Request for Rework, Request for Waiver, Request for Deviation, or Reinspection of Nonconforming Supplies". Any lot with one or more valid critical/major A defect(s) will not be reinspected without reworking or screening of all units, unless otherwise authorized by the Contracting Officer. Examples of valid technical reasons are:

a) After finding the lot nonconforming for net weight, it is discovered that the scales used for the inspection were out of adjustment or

b) After finding the lot nonconforming for a chemical test characteristic, it is discovered that a chemical used in the analysis has deteriorated or had not been properly prepared.

(B.) The contractor may petition the Government (through the Contracting Officer) for skip lot or a reduction in verification inspection at such time that the contractor believes his quality program is fully acceptable and reliable. There will be no "reduced" inspection option for critical defects.

F. Request for Rework, Request for Waiver, Request for Deviation, or Reinspection of Nonconforming Supplies

(A.) When contractor inspection or QSP, or Government verification by the QAR, reveals a process deviation or nonconforming lot, the contractor's written request for deviation, waiver, rework or reinspection of the nonconforming lot(s) must be furnished, as appropriate to the Contracting Officer and cognizant Government QAR and shall at a minimum contain the following:

1. Contractor's name and address.
2. Contract number, lot number(s), and quantity.
3. Item nomenclature and NSN, whether a component or end item.
4. Specification number, table/paragraph number, sample size, AC/REJ number(s), defect number(s), number of defects. Identify the pouch codes of defective units.
5. Classification of defects: Critical _____ Major _____ Minor _____
6. Cause of nonconformance or deviation, and corrective and preventive action.
 - a) State the root cause of the deficiency.
 - b) State the corrective and preventive action contractor has taken/will take to preclude recurrence.
 - c) If preventive action is not possible, state why.
7. If deviation/nonconformance is of a recurring nature, the frequency of occurrence and date/contract/lot number of last occurrence.
8. Effect on cost/price.
9. Effect on delivery schedule.
10. Full justification for request for deviation, waiver, rework or reinspection.
11. Submit in-process data (MPC, SPC), and contractor and Government end-item records for the involved lot(s). Submit retort records, copy of process schedule and letter from Processing Authority if a process deviation.

Applicable to the defect found or class of defects for critical defects, identify the situations where the lot exceeded control limits (out-of-control, exceeded action level or number) according to in-process records (MPC, SPC), and identify the corrective actions taken for each instance.

NOTE: All requests for rework shall be accompanied with a comprehensive rework plan. The rework plan will include rational information and data that supports the rework plan and ensures the elimination of nonconforming material from the lot.

(B.) When a valid technical reason for re-inspection is offered and permission is granted by the PCO, the contractor shall take corrective action to eliminate the cause of the inspection revealed failure; re-inspect the nonreworked lot after taking the corrective action, and evaluate the results of the initial inspection and the re-inspection by means of recognized statistical methods.

1. If the statistical tests reveal no significant difference between the results of the two inspections, acceptability will be based on re-inspection results. A significant difference is one that is real and not due to chance variation. Statistically, a difference which has a 0.05 probability of occurring by chance alone is usually considered a significant difference.

2. If such statistical tests reveal no significant difference between the results of the two inspections, both results will be reported to the Contracting Officer.

a. The results of the two inspections will be averaged and acceptability will be based on whether the resulting average meets the requirement, when the requirement is an average (variable) requirement.

b. The results of the initial (original) inspection will be the basis for the acceptability decision when the requirement is a unit (attribute) requirement.

G. Reliability Conditions

(A.) The Government may perform verification inspection (examination, testing or both) to assure that the inspection performed or certificates furnished by the contractor are reliable. Initially, the amount of verification inspection may equal the amount of inspection performed by the contractor. It is the intent of the Government to be able to rely on the contractor so that the amount of verification may be reduced accordingly. In the event the Government determines by means of verification inspection, surveillance of the contractor's inspection activity, or the submission by the contractor to the Government of nonconforming supplies that the contractor's inspection results or certificates from any plant are not reliable, the Government reserves the right to increase the rate or amount of verification inspection to and including full lot-by-lot inspection and to charge the contractor for the costs incurred for any or all Government examinations and tests performed on supplies from the plant/plants determined to be unreliable after such time as the contractor is advised in writing of the particular inspection concerning which his unreliability is established. In addition, the Government reserves the right to sample and inspect for compliance with contract requirements all supplies produced for the Government remaining in the contractor's facilities at the time of notification in an other than reliable status, even though said supplies may have been produced prior to receipt of notification. It is to be especially noted that the Government is contracting for a complete and reliable inspection system as well as a product conforming to all requirements of the contractual document(s). When any element of the contractor inspection system (a particular test or examination of the end item or component) has been determined to be unreliable, the Government reserves the right to consider the inspection system as a whole unreliable, and to return to full lot-by-lot verification (and charge therefore) for each and every examination and test. Examination and testing by the Government and charges to the contractor will continue until such time as the contractor's reliability is again established to the satisfaction of the Contracting Officer. Evaluation of contractor's examination results and review of test results will be accomplished by the QAR. Final evaluation of contractor's test results will be accomplished by DSCP-FTRU and DSCP-HSQ, Directorate of Subsistence.

(B.) The Government QAR may perform verification inspection on any of the lots presented by the contractor to determine if the inspection results reported by the contractor are a reliable

indication of product quality. Verification inspection results may be compared with product acceptance criteria set forth in the contract and/or with contractor inspection results for the purpose of determining if verification inspection performed by the Government QAR may be reduced. This reduction in Government verification inspection may be effected through less frequent inspection (skip lot/modified skip lot), reduced severity of inspection, or both.

Contracting Officer's approval must be section obtained before switching the degree of inspection severity to reduced inspection even though all criteria have been met.

(C.) Unless otherwise specified in the contract, verification inspection performed by the QAR will be in accordance with the specification Quality Assurance Provisions regardless of any approved alternative procedures employed by the contractor.

(D.) Unless otherwise specified, when the contractor inspection results have been determined to be unreliable, the next determination as to reliability will be made.

1. For examination characteristics. After the production and examination of no less than three or no more than five lots.

2. For test characteristics. After six day's production or after the number of days necessary to produce and test six inspection lots, whichever is greater.

NOTE: During the period the contractor's test system is considered unreliable, supplies will be accepted or rejected on the basis of Government laboratory test results.

3. Certificate of Conformance. After two inspection lots of component items, except that return to a reliable status will be based on conformance of a component item to requirements if inspection results are not submitted by the contractor.

(E.) After a contractor has been notified that his inspection system has been found to be unreliable, the status or unreliability will continue until the Government notifies the contractor that a reevaluation has been completed and the results indicate that the inspection system is considered as regaining a reliable status. In addition to the requirements in paragraphs E-1-A-9-D-1, 2, or 3, time will be required by the Government to review the contractor's results by the evaluators, complete verification inspection, perform statistical analysis, and to notify the contractor. The contractor will be charged for costs incurred by the Government for inspecting lots (including costs associated with sampling) used for evaluating reestablishment of an acceptable inspection system status.

(F.) Whenever considered necessary as an aid in determining reliability of contractor inspection, the Government will determine, by the use of recognized statistical methods, if there is a significant difference between inspection results furnished by the contractor and the results of verification inspection.

(G.) Supplies, which have been found nonconforming by the contractor, may be subjected to special Government verification examination of the lot or lots in question. The verification examination results for each such lot so selected will be compared with the contractor's results using the lot-by-lot comparability determination procedure for reliability only and shall not be used for acceptance or rejection of production lots.

(H.) In the event the Government elects not to perform verification inspection prior to delivery and acceptance, payment will not be delayed provided the contractor's inspection results indicate the end item and components (including packaging, unitization, packing, labeling and marking materials) conform to the specification requirements, and further provided that said results are presented in the manner prescribed herein.

(I.) Normally, verification inspection will be performed on a stationary lot basis, regardless of physical location, at any time prior to acceptance. Warehousing charges for labor, reconditioning, and any other such costs incident to sampling for examination and/or testing will be borne by the contractor, except when examination is performed at a point other than the premises of the contractor, sub-contractor or contractor's freezer or warehouse.

(J.) Conformance of supplies, or parts thereof, will be determined in accordance with the applicable specification tolerances, acceptable quality levels and sampling procedures contained in the contract except as provided herein at destination, the original inspection lots need not be reconstituted. For sampling purposes, supplies delivered under the contract may be grouped to form lots. The size of the sample will be determined by the sampling procedures specified in the contract for the quantity of supplies on which action is proposed. Whenever the contract does not provide criteria to determine the number of sample units, the number of containers selected for appropriate number of sample units, the number of containers selected for sampling will be the square root of the number of containers in the lot. Frozen product may be inspected for determination of compliance with all terms of the contract. If necessary, the product or samples, as appropriate, may be defrosted to the extent required to accomplish this inspection. At origin, the contractor will employ a procedure for identifying the inspection status of material before, during, and after processing.

(K.) The contractor's inspection system will be considered unreliable if a statistical comparison of contractor and Government inspection results indicates noncomparability. The noncomparable status will serve to notify the contractor of the significant disparity between the Government verification results and the contractor's results without either result indicating nonconformance. The Contracting Officer and/or Government QAR will notify the contractor when his inspection system is considered unreliable and change inspection system status to unreliable. The Contracting Officer and/or Government QAR will notify the contractor of any change in the inspection system status and of all reevaluations, whether or not a change in the inspection system is applicable.

(L.) The contractor's inspection system will be considered unreliable when the Government inspection results indicate nonconforming product and a significant difference is observed between the contractor and verification inspection results. The Contracting Officer and/or Government QAR will notify the contractor of any change in the inspection system status and of all reevaluations, whether or not a change in the inspection system is applicable.

(M.) Standby inspection samples. The Government reserves the right to withdraw and hold, for inspection purposes, standby samples of components or finished products or both. Samples not used will be returned to the contractor.

(N.) The contractor may be liable for certain inspection costs for examination or tests (for end item or components, separately) performed by the Government.

(O.) When the contractor is liable for costs, as defined by this contract, the following will apply:

1. The Government QAR will notify the contractor in writing when the contractor's inspection system is determined to be unreliable. A copy of this letter containing the reason(s) for such determination will be forwarded through the appropriate CQAE(s) to the PCO(s). During the period of unreliability, the QAR will submit weekly reports of applicable inspection costs, including travel expenses, through the CQAE(s) to the PCO(s) for review and collection. Inspection costs will be computed at the rate of \$35.00 per hour. Hours will be computed based on total hours for all inspectors used to perform inspection (i.e., three inspectors at three hours each = nine hours total). Actual travel expenses will be determined in accordance with applicable travel regulations. Upon reestablishment of reliability the QAR will notify the contractor in writing and submit a copy of this

letter, along with a final report of examination costs, through the CQAE(s) to the PCO(s). The contractor may appeal the assessment of examination costs in writing to the PCO stating full justification to refuse these costs. The PCO will provide a written decision on the appeal to the contractor. Assessment of examination costs will be based upon the dates of QAR notification to the contractor.

2. The contracting officer will notify the contractor in writing when the contractor's test system is determined to be unreliable. The Government QAR and the DSCP Quality Assurance Specialist (DSCP-FTRU) will report applicable costs/charges related to Government sampling and testing to the contracting officer for collection.

3. Costs devoted to actual travel time will be computed at the current authorized hourly rate, computed to the nearest quarterly hour increment.

4. Laboratory testing costs will be assessed at the rate of \$25.00 per hour.

5. Warehouse cost. Warehouse labor costs as reported by destination will be assessed at cost.

6. Miscellaneous expenses. Related expenses which can be reasonably computed will be assessed at actual cost.

7. Administrative costs. To the direct costs which are considered assessable, additional assessments will be added, based on the following charges to cover administrative costs which have been incurred by the Government in the review and assessment of actual costs.

A. An administrative charge of \$10.00 if actual charges do not exceed \$25.00 per reliability determination.

B. An administrative charge of \$10.00 if actual charges exceed \$25.00 but do not exceed \$50.00 per reliability determination.

C. An administrative charge of \$15.00 if actual charges exceed \$50.00 but do not exceed \$75.00 per reliability determination.

D. An administrative charge of \$20.00 if actual charges exceed \$75.00 per reliability determination.

NOTE: The above administrative charges do not include the cost for processing a contract modification.

8. The contractor shall be liable for Government costs (i.e., man- hours, travel, per diem, administration, etc.) incurred as a result of the failure of the contractor to notify the inspection service of change(s) in production schedule. Costs will be computed and reported by the QAR as detailed above.

H. Quality Assurance Requirements for Tray Pack

Origin Inspection shall be contractor paid USDA,AMS,FV,PPB inspection in accordance with DSCP Clause 52.246-9P09.

Optional Contractor Testing is provided by the alternate inspection requirements DSCP Clause 52.246-9P10.

When permitted by the applicable food component specification, a Certificate of Conformance (COC) for ingredients shall be provided.

The Higher Level Quality Requirements (Quality Systems Plan), Clause 52.246-9001, Manufacturing Process Controls (MPC), and Statistical Process Control Quality Assurance Provisions apply to Tray Pack Cakes and Cookies. The plans shall be prepared, submitted, reviewed, evaluated, and verified in accordance with the provisions cited in paragraphs E-1, E-2, and E-3, above, except that the USDA-AMS F&V Division, Processed Products Branch, Defense Contract Inspection Service (DCIS) shall have cognizance for the support of the Government's Quality Assurance requirements. The regulations, file codes, etc. of the respective agency are applicable to the contract in conjunction with the quality assurance requirements of the contract. In addition to the Higher Level Quality Requirement and SPC plans being submitted to DSCP-FTROS, copies of the plans shall be provided to the USDA accordingly:

One copy shall be mailed by overnight delivery to:

USDA-AMS F&V Division
 Processed Products Branch
 P.O. Box 96456, Rm. 0726
 South Building
 ATTN: DCIS
 Washington, DC 20090-6456

One copy provided to the in-plant resident USDA-AMS inspector.

NOTE: FAR Clause 52.246-2 and 52.246-11 are applicable to this solicitation and shall be cited to properly enforce the Higher Level Quality Requirements (e.g. ISO/ANSI/ASQC Q9001).

I. Rework of Nonconforming Product Pre or Post Acceptance

A. Rework of Nonconforming Product: The Government QAR must be informed and provided documentation of all rework results when product is presented for Government verification inspection or prior to Government inspection as indicated below.

B. Corrective Action (Rework/Screen Inspections) Taken Prior To Government Verification Inspection (Receipt, In-Process and End-Item Inspections): Unless otherwise specified below, all reworks and screening inspections conducted prior to the Government verification inspection do not require approval from the Government. Although the GQAR must be informed of all reworks, the contractor is not required to obtain approval to take corrective and preventive action as deemed necessary to ensure compliance with contractual requirements. For reworks requiring the Government's approval (as specified below), the contractor may submit a standard rework procedure (SRP), for certain defects, under the contractor's documented QSP section XIII Corrective and Preventive Action Program. The SRPs must be specific and these must be evaluated by DSCP-FTRA/FTRU, FTROS, and approved by the applicable contracting officer.

C. The Following Reworks Must Be Coordinated With the Supervisory GQAR and Approved by the Applicable DSCP-FTR Office.

1. Insect or Rodent Infestation/Contamination: Reworks must be approved by FTROS' entomologists.

2. Food Safety and Foreign Material: All corrective actions for product retained due to foreign material and/or processed/unprocessed container mix-ups must be approved by FTRU. The involved subcode(s), the deviation, and the disposition of the product shall be clearly identified when the complete lot is presented for Government end item verification inspection. If the producer fails to provide enough information/data in the case of a deviation, the GQAR shall contact FTRU for approval to proceed with the Government end item verification inspection. These requirements are in

addition to applicable Code of Federal Regulations or other regulatory requirements (USDA-FSIS, FDA).

Note: Deviations (that occur during or prior to the production of a product) from specific preparation/formulation/ingredient requirements cited in the specifications shall be submitted as a request for product deviation and must be approved and coordinated with the Specification Preparing Activity (Natick) through the applicable contracting officer.

3. Tray Pack Can Seam: Reworks must be approved by FTRUT.
4. Second Time Reworks: All second time reworks must be approved by the applicable FTR office.
5. Nonconformances Noted During The Government End Item Verification Inspection: All rework requests submitted for defects noted during Government verification end item verification inspections must be approved by the applicable contracting officer.

D. Contractor's Quality History:

1. Effectiveness of corrective actions (rework/screen inspections) taken by the contractor prior to Government end item verification inspection (receipt, in-process and contractor's end-item inspections) will be determined by the results of the end item verification inspection performed by the GQAR. **Corrective actions taken to ensure compliance with the contractual requirements prior to the Government end item verification inspection will not be counted against the contractor's quality history.** If product is found conforming during the Government end item verification inspection, the corrective action will be determined to have been effective. However, all requests for waivers and product deviations will be counted.

2. If product is found nonconforming during the Government end item verification inspection following contractor corrective action for the same defect for which the contractor took a corrective action, the corrective action will be determined to have been ineffective. In addition to any action taken, the contractor must reevaluate their documented QSP and/or the implemented corrective and preventive action program by an internal audit and results must be submitted to FTROS (Systems Audit Program Manager). **All corrective actions (rework/screening inspections, etc.) taken by the contractor due to a Government end item verification inspection rejection will be documented in the contractor's quality history records.**

NOTE: If the contractor elects to rework nonconforming product, it must be reworked and reoffered within 30 days from date of initial rejection.

NOTE: All requests for rework shall be accompanied with a comprehensive rework plan. The rework plan will include rational information and data that supports the rework plan and ensures the elimination of nonconforming material from the lot. See E-1-A-8 "Request for Rework, Request for Waiver, Request for Deviation, or Reinspection of Nonconforming Supplies".

J. Traceability Requirements

The shelf stable traypack producer shall maintain records for each end item lot. The end item lot, usually one day's production, shall be clearly identified on each primary tray, and clearly identified on the exterior of each case. In addition, the shelf stable traypack producer shall maintain records of when and where end item lots have been shipped.

The purpose of the above is to maintain traceability of a component lot through the Unitized Ration assembly operation, in depot storage and up to the customer's receipt of the unitized ration. This is necessary in the event of a recall/ALFOODACT for DSCP to isolate suspect product in the depot system and to notify customers of potentially hazardous product.

In order to facilitate lot traceability, the following is required:

(1.) Lots shall be shipped on a first produced (and accepted) first out basis. No product shall be older than three months at time of shipments, except when a product at the manufacturer's plant is pending disposition instructions and/or action (request for waiver, deviation, rework, reinspection, etc) and/or as authorized by the Contracting Officer.

(2.) Each shipping case shall normally contain only one manufacturer's lot. If a partial shipping case remains at the end of the production day, dunnage shall be used to fill the remainder of the case and the outside of the case shall be marked indicating the number of trays within.

(3.) Each unit load shall contain only one production lot, as a rule. However, when a partial unit load remains at the end of a production day, the contractor is permitted to complete the unit load with another lot's material. In this instance a unit load may consist of two lots to facilitate shipment.

(4.) When two lots are incorporated on one pallet, the lots shall be distinctly separated by the use of paper or other material suitable for this purpose. When this occurs, the contractor shall affix a unit load placard on two adjacent sides of the unit load, identifying each lot number on the load and the quantities of pouches/items within each lot.

(5.) Lot numbers and corresponding lot quantities shall be included on the shipping/receiving documentation, e.g., DD Form 250.

K. Commingling of Lots

In order to facilitate lot traceability at the assembler's plant, the following is required:

(1) Lots shall be shipped on a first produced (and accepted) first out basis. No product shall be older than three months at time of shipments, except when a product at the manufacturer's plant is pending disposition instructions and/or action (request for waiver, deviation, rework, reinspection, etc) and/or as authorized by the Contracting Officer.

(2) Each shipping case shall normally contain only one manufacturer's lot. If a partial shipping case remains at the end of the production day, dunnage shall be used to fill the remainder of the case and the outside of the case shall be marked indicating the number of pouches/items within.

(3) Each unit load shall contain only one production lot, as a rule. However, when a partial unit load remains at the end of a production day, the contractor is permitted to complete the unit load with another lot's material. In this instance a unit load may consist of two lots to facilitate shipment.

(4) When two lots are incorporated on one pallet, the lots shall be distinctly separated by the use of paper or other material suitable for this purpose. When this occurs, the contractor shall affix a unit load placard on two adjacent sides of the unit load, identifying each lot number on the load and the quantities of pouches/items within each lot.

(5) Lot numbers and corresponding lot quantities shall be included on the shipping/receiving documentation, e.g. DD Form 250. Water activity stabilized items shall also cite subcodes delivered.

L. Mixed Code Lots

In addition to the above, the following requirements shall apply to the shipment of "mixed code lots":

- (1.) A "mixed code lot" is defined as a lot consisting of small quantities of components representing different lots. These components usually accumulate as the result of sampling for the purposes of incubation, USDA standby samples or for similar reasons.
- (2.) Unit loads containing mixed code lots shall be identified by the use of unit load placards. The placards shall list all the lots and the quantities of pouches/items within each lot contained on the pallet. The placards shall be affixed on two adjacent sides of the unit load. Lot numbers and corresponding lot quantities shall also be included on the corresponding shipping/receiving documentation, e.g. DD Form 250.
- (3.) Mixed code lots shall be periodically shipped to the assembler(s); mixed code lots shall be shipped only on a quarterly basis, or upon the approval of the Contracting Officer.
- (4.) When the quantity of components from one production lot is less than that needed to fill a normal shipping container, product from more than one production lot may be used to fill a case. However, product from one production lot may not be used to partially fill more than one case. When a shipping case contains product from more than one production lot, a placard will be placed on the outside of the case that indicates the lot number and quantity for each lot.

M. Alternative Skip-Lot End-Item Inspection Requirements for Government End-Item Verification Inspections for Operational Rations

The "Procedures for Alternative Skip-Lot End Item Inspection Requirements for Government End Item Verification Inspections for Operational Rations", dated March 2001, are applicable to current and future contracts. The switching procedures cited in ANSI/ASQC Z1.4, Sampling Procedures and Tables for Inspection and Attributes shall not be used for Government verification inspections. For products requiring a drained weight examination, the following is also required: The contractor shall provide the Government Quality Assurance Representative (GQAR) a copy of the current production standard (PDM/First Article) formula (including ratios of ingredients), and formulation records for each production lot submitted for Government end item verification inspection. The GQAR shall initiate skip-lot inspection based on Government verification inspections results of each product and notification that the contractor's Quality System Plan (QSP) was rated acceptable by DSCP-FTROS. The Government verification inspection may be further decreased (e.g., skip-lot inspection frequency 1 in 6, 1 in 10, etc.) by the Contracting Officer if he/she determines that this is in the best interest of the Government or he/she may discontinue skip-lot inspection for Government verification inspection if it is determined that skip lot is not in the best Interest of the Government.

The sampling plans switching procedures cited in ANSI/ASQC Z1.4, Sampling Procedures and Tables for Inspection and Attributes, are authorized to be used only by the contractors during the performance of contractor's end item verification inspections. Producers using the switching procedures, cited in ANSI/ASQC Z1.4, during the performance of their end item inspections must train personnel and follow all of the switching rules cited in the standard. As indicated in the standard, the sampling scheme is a combination of sampling plans with switching procedures, and each sampling plan has its own set of rules by which a lot is to be inspected and accepted or rejected. Samples may be drawn after all units comprising the lot have been produced or samples may be drawn during production of the lot. However, for those contractors that are using stratified sampling (drawing subsamples from each subplot during production of the lot), the subsamples must be drawn at random from the subplot and not inspected until all the subsamples are combined to make-up the complete sample for the applicable lot size (the formation of the lot and lot size is

defined as the manner in which the lot is to be presented for Government end item verification inspection in accordance with paragraph E-13 Operational Ration Component Lot Numbers). All other inspection procedures must be reviewed by the GQAR, included in the QSP, and approved by the Contracting Officer. The producer's end item verification inspection results must be well documented and the GQAR must be informed in advance of the specific switching procedure (normal, tightened, reduced) being utilized for each product qualified under the standard.

VII. Delivery Requirements

A. 52.216-22 INDEFINITE QUANTITY (OCT 1995)

(a) This is an indefinite quantity contract for 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 to the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity or supplies designated in the Schedule as the "minimum."

(c) Except for any limitations in quantities in the Order Limitation 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 performances 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 later than 90 days after contract expiration.

B. 52.216-18 ORDERING (OCT 1995)

(a) Any supplies and services to be furnished under the 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 of award through the effective date of the contract.

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

C. 52.216-9P06 DELIVERY ORDER LIMITATIONS (JAN 1992) DSCP

(a) Minimum Order.

When the government requires supplies or services covered by this contract in an amount of less than **500 EA per item**, 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 single item in excess of _____.

(2) Any order for a combination of items in excess of **25000 trays** or

(3) A series of orders from the same ordering office within **30** days that together call for quantities exceeding the limitation in subparagraph **(1)** or **(2)** above.

(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) above.

(d) Notwithstanding paragraphs (b) and (c) above, the contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order(s) is returned to the ordering office within ____ days after issuance, with written notice stating the contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the government may acquire the supplies or services from another source.

(e) The delivery order(s) shall specify delivery(ies) no less than **30 *** days from the date of issuance of the delivery order. Changes and/or cancellations to delivery order(s) may be made by giving contractor no less than **2 business days** notice, to be computed from time of receipt by the contractor of the original order to the time of receipt by the contractor of the written or oral change(s) or cancellation(s).

- Order leadtime for each item shall be 30 days after approval of the First Article. For items that do not have an acceptable First Article, the order leadtime shall be 90 days, which includes an allowance of 30 days for the contractor to deliver a First Article and 15 days for Government approval.

D. USDA Execution of Invoices/DD250s. The USDA inspector shall not sign the DD Form 250 prior to completion of the full incubation period for thermostabilized and thermohydrostabilized tray pack cans or polymeric trays. Additionally, the contractor shall not ship product which has not completed the full incubation period without the USDA (Meat and Poultry Inspection Regulations, Subpart G, Section 318.309), and the contracting officer approval.

E. 52.211-14 Notice of Priority Rating for National Defense Use (Sep 1990)

Any contract awarded as a result of this solicitation will be a DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the Contractor will be required to follow all of the requirements of this regulation.

F. 252.212-9000 Priority Rating (August 1998)

This contract is assigned a priority rating under the Defense Priorities and Allocation System (DPAPS) regulations (15 CFR 700) which requires contractors to utilize said rating in obtaining the products, materials, and supplies needed to fill their contracts. In the event the contractor is unable to obtain the necessary products, materials, and supplies to complete the contract, the contractor shall immediately advise the DCMD or the appropriate DSC priorities and allocations (P & A) officer through the cognizant ACO or Contracting Officer. The P&A officer or the DCMC Industrial Specialist will provide necessary instructions to complete BXA-999 (OMB control number 0694-0057), Request for Special Priorities Assistance. This form will be processed through appropriate channels to the Department of Commerce which, upon receipt, will take action to make the needed supplies available to the applicant.

NOTE (per DLSC-PON letter dated Dec 22, 1996): Contracts in support of operational rations may be rated to include food items; the rating need not be limited to packaging materials, as was previously the case. For meal accessory items purchased by the contractor and incorporated as part of operational rations, the contractor can use the "DO-C1" priority rating in the flowdown to suppliers,

even though these items may not qualify as food resources because they are not capable of being consumed.

G. 52.211-16 Variation in Quantity (Apr 1984)

(a) A variation in the quantity of any item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified in paragraph (b) of this clause.

(b) The permissible variation shall be limited to:

1.0 Percent increase

0.0 Percent decrease

This increase or decrease shall apply to each line item per delivery order.

H. 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 therefore, 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.

52.212-4 CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS
(OCT 2003)

(a) Inspection/Acceptance.

The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights--

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

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

(b) Assignment.

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

(c) Changes.

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

(d) Disputes.

This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) Definitions.

The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) Excusable Delays.

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

(g) Invoice.

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

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

FOR OFFICIAL USE ONLY

**SOURCE SELECTION INFORMATION
SEE FAR 3.104**

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

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

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

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

(h) Patent Indemnity.

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

(i) Payment.

(1) Items Accepted.

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

(2) Prompt Payment.

The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

(3) Electronic Funds Transfer (EFT).

If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) Discount.

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

(5) Overpayments.

If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

(j) Risk of Loss.

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

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

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

(k) Taxes.

The contract price includes all applicable Federal, State, and local taxes and duties.

(l) Termination for the Government's Convenience.

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

(m) Termination for Cause.

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

(n) Title.

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

(o) Warranty.

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

(p) Limitation of Liability.

Except as otherwise provided by an express warranty, the Contractor will not be held liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) Other Compliances.

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

(r) Compliance with Laws Unique to Government Contracts.

The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 327, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

(s) Order of Precedence.

Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

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

(t) Central Contractor Registration (CCR).

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

(2) (i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding notification and change-of-name agreements in FAR Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of Subpart 42.12; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

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

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423 or 269-961-5757.

ADDENDUM to 52.212-4 Contract Terms and Conditions—Commercial Items

1. Paragraph (c) Changes.

Except that the Government may make unilateral changes under FAR Clause 52.243-1 Changes, Fixed Price (Aug 1987)

2. Paragraph (g) Invoice

An additional copy of the invoice/shipping document shall be mailed, faxed or e-mailed to the following Purchase Office:

Defense Supply Center Philadelphia
ATTN: DSCP-FTRUT, Noreen Killian/ Carol DePrisco
700 Robbins Avenue
Philadelphia, PA 19111-5092
And/or send fax to 215-737-2988 or 4155

252.232-7003 ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (JAN 2004)

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

(1) "Contract financing payment" and "invoice payment" have the meanings given in section 32.001 of the Federal Acquisition Regulation.

(2) "Electronic form" means any automated system that transmits information electronically from the initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using one of the electronic forms provided for in paragraph (b) of this clause.

(3) "Payment request" means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests using one of the following electronic forms:

(1) Wide Area WorkFlow-Receipt and Acceptance (WAWF-RA). Information regarding WAWF-RA is available on the Internet at <https://wawf.eb.mil>.

(2) Web Invoicing System (WInS). Information regarding WInS is available on the Internet at <https://ecweb.dfas.mil>.

(3) American National Standards Institute (ANSI) X.12 electronic data interchange (EDI) formats.

(i) Information regarding EDI formats is available on the Internet at <http://www.X12.org>.

(ii) EDI implementation guides are available on the Internet at <http://www.dfas.mil/ecedi>.

(4) Another electronic form authorized by the Contracting Officer.

(c) If the Contractor is unable to submit a payment request in electronic form, or DoD is unable to receive a payment request in electronic form, the Contractor shall submit the payment request using a method mutually agreed to by the Contractor, the Contracting Officer, the contract administration office, and the payment office.

(d) 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.

(End of clause)

3. Paragraph (t) Central Contractor Registration (CCR)

ENTRY INTO PLANT: The Contracting Officer or any Government personnel designated by him shall be [permitted entry into the Contractor's and Subcontractor's plants at anytime during the effective period of the contract. Except for inspection services, the Contracting Officer shall give prior notice of the purpose of the meeting and shall furnish dates of the visit.

52.211-9P38 PLACE OF PERFORMANCE (MAR 199) DSCP

(a) The offeror must stipulate in its technical proposal to this solicitation information pertinent to the place of performance.

(b) Any change in place(s) of performance cited in this offer and in any resulting contract is prohibited unless it is specifically approved in advance by the contracting officer.

(c) Any change in place of performance cited in this offer and in any resulting contract is prohibited unless it is specifically approved in advance by the Contracting Officer.

52.217-9P16 EFFECTIVE PERIOD OF CONTRACT (Jan 1992)

The effective period of the base year is from date of award to 365 days after.

52.211-9P36 FDA COMPLIANCE (JAN 1992) DSCP

If any supplies acquired hereunder are recalled under the provisions of the Federal Food, Drug and Cosmetic Act, and regulations thereunder, the contractor shall, at the Government's option, either reimburse the Government or repair/replace the recalled supplies. Additionally, the contractor shall notify the contracting officer immediately when a firm decides to voluntarily recall or withdraw any product from the marketplace. Upon notification by the contracting officer that supplies acquired hereunder have been recalled, the contractor shall either (a) accept Certificates of Destruction from the Government after the supplies have been properly disposed of, (b) request return of the supplies, or (c) if supplies may be repaired on site without transporting them from their location, furnish all materials necessary to effect repairs. Replacement or reimbursement will be accomplished by the contractor immediately on receipt of Certificates of Destruction or returned supplies. The costs of replacement or repair of supplies, and transportation and handling costs for movement of returned, replaced or repaired supplies within the continental United States shall be paid by the contractor. The provisions of this clause are applicable only when the value of the recalled supplies in the possession of the Government amounts to \$100 or more. The rights and remedies of the Government provided in this clause are in addition to, and do not limit, any rights afforded to the Government by any other clause in the contract.

52.246-9P31 SANITARY CONDITIONS (JAN 1998) DSCP

(a) Food Establishments.

(1) Establishments furnishing food items under DSCP contracts are subject to approval by the Military Medical Service or another agency acceptable to the Military Medical Service. The government does not intend to make any award for, no accept, any subsistence products manufactured or processed in a plant which is operating under such unsanitary conditions as may lead to product contamination or constitute a health hazard, or which has not been listed in an appropriate government directory as a sanitarily approved establishment when required. Accordingly, the supplier agrees that, except as indicated in paragraphs (2) and (3) below, products furnished as a result of this contract will originate only in establishments listed in the "Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement", published by the U.S. Army Veterinary Command. Suppliers also agree to inform the contracting officer immediately upon

notification that a manufacturing plant is no longer sanitarily approved and/or de-listed from another agency's listing, as indicated in paragraph (2) below. The contracting officer will also be notified when sanitary approval is regained and listing is reinstated.

(2) Establishments furnishing the products listed below and appearing in the publications indicated need not be listed in the "Directory of Sanitarily Approved Food Establishments".

(i) Meat and meat products and poultry and poultry products from establishments which are currently listed in the "Meat and Poultry Inspection Directory", published by the Meat and Poultry Inspection Program AMS, USDA. 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 agency.

(ii) Meat and meat products for direct delivery to military installations within the same state may be supplied when the items are processed under state inspection in establishments certified by the USDA as being equal to federal meat inspection requirements.

(iii) Poultry, poultry products, and shell eggs from establishments listed in the "List of Plants Operating under USDA Poultry and Egg Grading Programs" published by Poultry Programs, Grading Branch, AMS, USDA. Egg products (liquid, dehydrated) from establishments listed in the "Meat and Poultry Directory" published by the Food Safety Inspection Service. 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 agency.

(iv) Fish and fishery products from establishments listed in the "Approved List--Sanitary Inspected Fish Establishments", published by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service.

(v) Milk and milk products from plants having a pasteurization plant compliance rating of 90 or more, as certified by a state milk sanitation rating officer and listed in "Sanitation Compliance and Enforcement Ratings of Interstate Milk Shippers", published by the U.S. Public Health Service. These may serve as sources of pasteurized milk and milk products as defined in paragraph N, Section I, Part II of the "Grade 'A' Pasteurized Milk Ordinance, 1978 Recommendations of the U.S. Public Health Service", Public Health Service Publication No. 229.

(vi) "Dairy Plants Surveyed and Approved for USDA Grading Service", published by Dairy Division, Grading Branch, AMS, USDA.

(vii) Oysters, clams and mussels from plants listed in the "Interstate Certified Shellfish Shippers Lists", published by the U.S. Public Health Service.

(3) Establishments furnishing the following products are exempt from appearing in the "Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement", or other publication, but will remain subject to inspection and approval by the Military Medical Service or by another inspection agency acceptable to the Military Medical Service:

(i) Fruits, vegetables and juices thereof.

(ii) Special dietary foods and food specialty preparations (except animal products, unless such animal products are produced in establishments covered by paragraphs (2)(i), (2)(iii), or (2)(iv) above).

(iii) Food oils and fats (except animal products, unless such animal products are produced in establishments covered by paragraph (2)(i), (2)(iii), or (2)(iv) above).

(iv) foreign establishments whose prepackaged finished items are imported by distributors or brokers into the United States as brand name items and then sold to armed forces procurement agencies for commissary store resale.

(4) Subsistence items other than those exempt from listing in the U.S. Army Veterinary Command "Directory of Sanitarily Approved Food Establishments for Armed Forces Procurement", bearing labels reading "Distributed By", etc., are not acceptable unless the source of manufacturing/processing is indicated on the label or on accompanying shipment documentation.

(5) When the Military Medical Service or other inspection agency acceptable to the Military Medical Service determines that the sanitary conditions of the establishment or its products have or may lead to product contamination, 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 contamination of the supplies, and if applicable, equipped to maintain any prescribed temperature. (Semiperishable supplies shall be delivered in a non-refrigerated conveyance.) 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, or they constitute a health hazard, or the delivery conveyance is not equipped to maintain prescribed temperatures, supplies tendered for acceptance may be rejected without further inspection.

52.246-9P32 FEDERAL FOOD, DRUG AND COSMETIC ACT-WHOLESOME MEAT ACT (JAN 1992) DSCP

(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 thereunder. 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 thereunder 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 right is reserved to give notice of breach of this warranty at any time within such applicable 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 determined 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, 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 of a question of fact 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.

52.209-9P07 PRE-AWARD PLANT SURVEY (JAN 1992) DSCP

To determine the responsibility of prospective contractors, the government reserves the right to conduct physical surveys of the plants which are to be used in the performance of a contract.

In the event the government is prevented from making such survey by the offeror or its proposed subcontractor, the offer may be rejected. As a part of the pre-award survey, the offeror may be

required to obtain from its intended sources of supply, letters confirming availability of components, materials machinery and tooling.

52.246-9P35 WARRANTY OF SUPPLIES (APR 2003) DSCP

(a) Definitions.

"Acceptance", as used in this clause, means the act of an authorized representative of the government by which the government assumes for itself, or as an agent of another, ownership of existing supplies, or approves specific services as partial or complete performance of the contract.

"Correction", as used in this clause, means the elimination of a defect.

"Supplies", as used in this clause, means the end item furnished by the contractor and related services required under the contract. The word does not include "data."

(b) Contractor's Obligations.

(1) Notwithstanding inspection and acceptance by the government of supplies furnished under this contract, or any condition of this contract concerning the conclusiveness thereof, the contractor warrants that for 18 months after receipt of supplies at destination:

(i) All supplies furnished under this contract will be free from defects in material or workmanship and will conform with all requirements of this contract; and

(ii) The preservation, packaging, packing and marking, and the preparation for, and method of, shipment of such supplies will conform with the requirements of this contract.

(2) When return of the supplies to the contractor and redelivery, if applicable, is required, transportation charges and responsibility for the supplies while in transit shall be borne by the contractor. Contractor shall also be liable for:

(i) handling costs and incidental charges incurred by the government in the preparation of the above described supplies for return to the contractor and in return of said supplies to storage, after redelivery by the contractor; and

(ii) For cost of government examination of the corrected or replaced supplies computed and charged at the flat rate of \$49.28 per hour.

(3) Any supplies or parts thereof, corrected or furnished in replacement under this clause, shall also be subject to the terms of this clause to the same extent as supplies initially delivered. The warranty, with respect to supplies or parts thereof, shall be equal in duration to that in paragraph (b)(1) of this clause and shall run from the date of receipt at destination of the corrected or replaced supplies.

(4) All implied warranties of merchantability and "fitness for a particular purpose" are excluded from any obligation contained in this contract.

(c) Remedies Available to the Government.

(1) The contracting officer shall give written notice to the contractor of any breach of warranties in paragraph (b)(1) of this clause within 7 months from receipt of supplies at destination.

(2) Conformance of supplies or parts thereof subject to warranty action shall be determined in accordance with the inspection and acceptance procedures contained in the contract except as provided herein. If the contract provides for sampling, the contracting officer may group any supplies delivered under this contract. The size of the sample shall be that required by the sampling procedure specified in the contract for the quantity of supplies on which warranty action is proposed, except when projecting sampling results. Warranty sampling results may be projected over supplies in the same shipment or other supplies contained in other shipments even though all of such supplies are not present at the point of reinspection and regardless of whether such supplies have been issued or consumed, provided; the supplies from which the samples were drawn are reasonably representative of the quantity on which warranty action is proposed; and the defects found in the sample size are sufficient to reject the quantity of supplies on which warranty action is proposed, even though the sample size may be less than that required for such quantity. The original inspection lots need not be reconstituted, nor shall the contracting officer be required to use the same lot size as on original inspection. Within a reasonable time after the notice, the contracting officer may exercise

one or more of the following options, and also, following the exercise of any option, may unilaterally change it to one or more of the other options set forth below:

- (i) Require an equitable adjustment in the contract price for any supplies or group of supplies;
- (ii) Screen the supplies grouped under this clause at contractor's expense and return all nonconforming supplies to the contractor for correction or replacement;
- (iii) Require the contractor to screen the supplies at depots designated by the government within the continental United States and to correct or replace all nonconforming supplies;
- (iv) Return any supplies or group of supplies under this clause to the contractor (irrespective of the F.O.B. point or the point of acceptance) for screening and correction or replacement;
- (v) Return or hold for contractor's account any supplies or group of supplies delivered hereunder, whereupon the contractor shall repay the contract price paid therefore. In such event, the government may re-procure similar supplies upon such terms and in such manner as the contracting officer may deem appropriate, and charge to the contractor the additional cost occasioned the government thereby.

(3) When either option three or four of this clause is exercised, the contractor is required to submit in writing and within 30 days after receipt of notice of such invocation a schedule for either:

- (i) Correction and/or replacement of all defective supplies and subsequent redelivery of the returned supplies; or,
- (ii) Screening defective supplies at each depot involved and subsequent redelivery of all corrected and/or replaced supplies.

Such schedule will become a part of the contract delivery schedule upon agreement thereto by the government. If the contractor fails to provide an agreeable schedule within the specified period, or any extension agreed to by the government, the government may correct the items and charge the contractor's account, or issue a contract for correction of the items and charge the contractor's account, or exercise one or more of the remedies specified in paragraph (4) below.

(4) If the contractor fails to accept return of the nonconforming supplies, or fails to make redelivery of the corrected or replaced supplies to the government within the time established, or fails to make progress after their return to correct or replace them so as to endanger performance within the time established for redelivery and does not cure such failure within a period of 10 days (or such longer period as the contracting officer may authorize in writing) after receipt of notice from the contracting officer specifying such failure, the contracting officer may exercise one or more of the following remedies:

- (i) Retain or have the contractor return the nonconforming supplies and require an equitable adjustment in the contract price.
- (ii) Return or hold the nonconforming supplies for contractor's account, or require the return of the nonconforming supplies and then hold for contractor's account, whereupon the contractor shall repay the contract price therefore. In such event, the government may re-procure similar supplies upon such terms and in such manner as the contracting officer may deem appropriate, and charge to the contractor the additional costs occasioned the government thereby.
- (iii) If the contractor fails to furnish timely disposition instructions, dispose of the nonconforming supplies for the contractor's account in a reasonable manner, in which case the government is entitled to reimbursement from the contractor or from the proceeds for the reasonable expenses of the care and disposition of the nonconforming supplies, as well as for any other costs incurred or to be incurred.

(5) The rights and remedies of the government provided in this clause are in addition to, and do not limit, any rights afforded to the government by any other clause of this contract.

(d) Failure to agree upon any determination to be made under this clause shall be a dispute concerning a question of fact within the meaning of the "disputes" clause of this contract.

(e) When the contract specifies ultimate delivery of supplies to a location outside the contiguous United States, such location shall be deemed the destination for purposes of this clause.

252.243-7002 Requests for Equitable Adjustment (MAR 1998).

(a) The amount of any request for equitable adjustment to contract terms shall accurately reflect the contract adjustment for which the Contractor believes the Government is liable. The request shall include only costs for performing the change, and shall not include any costs that already have been reimbursed or that have been separately claimed. All indirect costs included in the request shall be properly allocable to the change in accordance with applicable acquisition regulations.

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

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

(Official's Name)
(Title)

(c) The certification in paragraph (b) of this clause requires full disclosure of all relevant facts, including-

- (1) Cost or pricing data if required in accordance with subsection 15.403-4 of the Federal Acquisition Regulation (FAR); and
- (2) Information other than cost or pricing data, in accordance with subsection 15.403-3 of the FAR, including actual cost data and data to support any estimated costs, even if cost or pricing data are not required.

(d) The certification requirement in paragraph (b) of this clause does not apply to-

- (1) Requests for routine contract payments; for example, requests for payment for accepted supplies and services, routine vouchers under a cost-reimbursement type contract, or progress payment invoices; or
- (2) Final adjustments under an incentive provision of the contract.

(End of clause)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (OCT 2003)[DEVIATION]

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clause, which is incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items: 52.233-3, Protest after Award (AUG 1996) (31 U.S.C. 3553).

(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:

 X (1)52.203-6, Restrictions on Subcontractor Sales to the Government

(JUL

1995), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C.

2402).

- (2) 52.219-3, Notice of Total HUBZone Set-Aside (Jan 1999) (15 U.S.C. 2402).
- (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).
- (4)(i) 52.219-5, Very Small Business Set-Aside (JUN 2003) (Pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).
- (4)(ii) Alternate I (MAR 1999) of 52.219-5.
- (4)(iii) Alternate II (JUN 2003) of 52.219-5.
- (5)(i) 52.219-6, Notice of Total Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).
- (5)(ii) Alternate I (OCT 1995) of 52.219-6.
- (6)(i) 52.219-7, Notice of Partial Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).
- (6)(ii) Alternate I (OCT 1995) of 52.219-7.
- (7) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637 (d)(2) and (3)).
- (8)(i) 52.219-9, Small Business Subcontracting Plan (JAN 2002) (15 U.S.C. 637 (d)(4)).
- (8)(ii) Alternate I (OCT 2001) of 52.219-9.
- (8)(iii) Alternate II (OCT 2001) of 52.219-9.
- (9) 52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637(a)(14)).
- (10)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (JUN 2003) (Pub L. 103-355, Section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- (10)(ii) Alternate I (JUN 2003) of 52.219-23.
- (11) 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (OCT 1999) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (12) 52.219-26, Small Disadvantaged Business Participation Program—Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (13) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).
- (14) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (SEP 2002) (E.O. 13126).
- (15) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).
- (16) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).
- (17) 52.222-35, Equal Opportunity for Special Disabled Veterans,

- Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).
- (18) **52.222-36**, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
- (19) **52.222-37**, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).
- (20)(i) **52.223-9**, Estimate of Percentage of Recovered Material Content for EPA- Designated Products (AUG 2000) (42 U.S.C. 6962(c)(3)(A)(ii)).
- (20)(ii) **Alternate I** (AUG 2000) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)).
Paragraphs (21) through (23) are not applicable and have been deleted.
- (24) **52.225-13**, Restrictions on Certain Foreign Purchases (OCT 2003) (E.o.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
Paragraphs (25) and (26) are not applicable to DoD acquisitions and have been deleted.
- (27) **52.232-29**, Terms for Financing of Purchases of Commercial Items
(FEB 2002 (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).
- (28) **52.232-30**, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 225(f), 10 U.S.C. 2307(f)).
- (29) **52.232-33**, Payment by Electronic Funds Transfer—Central Contractor Registration (OCT 2003) (31 U.S.C. 3332).
- (30) **52.232-34**, Payment by Electronic Funds Transfer—Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332).
- (31) **52.232-36**, Payment by Third Party (MAY 1999) (31 U.S.C. 3332).
- (32) **52.239-1**, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a)
- (33)(i) **52.247-64**, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631).
- (33)(ii) **Alternate I** (APR 1984) 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:

- (1) **52.222-41**, Service Contract Act of 1965, as amended (MAY 1989) (41 U.S.C. 351, et seq.).
Subcontracts for certain commercial services may be exempt from coverage if they meet the criteria in FAR 22.1003-4(c) or (d) (See DoD Class Deviation Number 2000-00006).
- (2) **52.222-42**, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

- ___ (3) **52.222-43**, Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts) (MAY 1989) 29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
- ___ (4) **52.222-44**, Fair Labor Standards Act and Service Contract Act – Price Adjustment (FEB 2002) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
- ___ (5) **52.222-47**, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreements (CBA) (MAY 1989) (41 U.S.C. 351, et seq.).

(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) or (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (i) through (vi) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) **52.219-8**, Utilization of Small Business Concerns (OCT 2000) (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 \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) **52.222-26**, Equal Opportunity (APR 2002) (E.O. 11246);

(iii) **52.222-35**, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212);

(iv) **52.222-36**, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C.

- (v) **52.222-41**, Service Contract Act of 1965, as amended (MAY 1989), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, et seq.).
- (vi) **52.247-64**, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Approx 1241 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.

252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT

**STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE
ACQUISITIONS OF COMMERCIAL ITEMS (OCT 2003) DFARS**

(a) The Contractor agrees to comply with the following Federal Acquisition Regulation (FAR) clause which, if checked, is included in this contract by reference to implement a provision of law applicable to acquisitions of commercial items or components.

52.203-3 Gratuities (APR 1984) (10 U.S.C. 2207)

(b) The Contractor agrees to comply with any clause that is checked on the following list of Defense FAR Supplement clauses which, if checked, is included in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components.

- 252.205-7000** Provision of Information to Cooperative Agreement Holders (DEC 1991) (10 U.S.C. 2416).
- 252.219-7003** Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996) (15 U.S.C. 637).
- 252.219-7004** Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program) (JUN 1997) (15 U.S.C. 6 note).
- 252.225-7001** Buy American Act and Balance of Payments Program (APR 2003) (41 U.S.C. 10a-10d, E.O. 10582).
- 252.225-7012** Preference for Certain Domestic Commodities (FEB 2003) (10 U.S.C. 2533a).
- 252.225-7014** Preference for Domestic Specialty Metals (APR 2003) (10 U.S.C. 2533a).
- 252.225-7015** Restriction on Acquisition of Hand or Measuring Tools (APR 2003) (10 U.S.C. 2533a).
- 252.225-7016** Restriction on Acquisition of Ball and Roller Bearings (APR 2003) (Alternate I) (APR 2003) (10 U.S.C. 2534 and Section 8099 of Pub L. 104-61 and similar sections in subsequent DOD Appropriations acts).
- 252.225-7021** Trade Agreements (AUG 2003) (19 U.S.C. 2501-2518 and 19 U.S.C. 3301 note).

- 252.225-7027** Restriction on Contingent Fees for Foreign Military Sales (APR 2003) (22 U.S.C.2779).
- 252.225-7028** Exclusionary Policies and Practices of Foreign Governments (APR 2003) (22 U.S.C. 2755).
- 252.225-7036** Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payment Program (APR 2003) (Alternate I) (APR 2003) (41.U.S.C. 10a-10d and 19 U.S.C. 3301 note).
- 252.225-7038** Restriction on Acquisition of Air Circuit Breakers (APR 2003) (10 U.S.C. 2534(a)(3)).
- 252.226-7001** Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (OCT 2003) (Section 8021 of Pub. L. 107-248).
- 252.227-7015** Technical Data -- Commercial Items (NOV 1995) (10 U.S.C. 2320).
- 252.227-7037** Validation of Restrictive Markings on Technical Data (SEP 1999) (10 U.S.C. 2321).
- 252.232-7003** Electronic Submission of Payment Requests (MAR 2003) (10 U.S.C. 2227).
- 252.243-7002** Requests for Equitable Adjustment (MAR 1998) (10 U.S.C. 2410).
- 252.247-7023** Transportation of Supplies by Sea (MAY 2002) (Alternate I) (MAR 2000) (Alternate II) (MAR 2000) (Alternate III) (MAY 2002) (10 U.S.C. 2631).
- 252.247-7024** Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631).

(c) In addition to the clauses listed in paragraph (e) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items clause of this contract (FAR 52.212-5), the Contractor shall include the terms of the following clauses, if applicable, in subcontracts for commercial items or commercial components, awarded at any tier under this contract:

- 252.225-7014** Preference for Domestic Specialty Metals, Alternate I (APR 2003) (10 U.S.C. 2533a).
- 252.247-7023** Transportation of Supplies by Sea (MAY 2002) (10 U.S.C. 2631).
- 252.247-7024** Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631).

52.212-9000 CHANGES – MILITARY READINESS (MAR 2001) DLAD

The commercial changes clause at FAR 52.212-4(c) is applicable to this contract in lieu of the changes clause at FAR 52.243-1. However, in the event of a Contingency Operation or a Humanitarian or Peace Keeping Operation, as defined below, the contracting officer may, by written order, change—

- (1) The method of shipment or packing, and
- (2) The place of delivery

If any such change causes an increase in the cost of, or the time required for performance, the contracting officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract. The contractor must assert its right to an adjustment within 30 days from the date of receipt of the modification.

"Contingency Operation" means a military operation that—

- (i) Is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or
- (ii) Results in the call or order to, or retention on, active duty of members of the uniformed services under 10 U.S.C. 688, 12301(a), 12302, 12304, 12305, or 12406; chapter 15 of U.S.C., or any other provision of law during a war or during a national emergency declared by the President or Congress (10 U.S.C. 101(a)(13)). "Humanitarian or Peacekeeping Operation" means a military operation in support of the provision of humanitarian or foreign disaster assistance or in support of peacekeeping

operation under Chapter VI or VII of the Charter of the United Nations. The term does not include routine training, force rotation, or stationing. (10 U.S.C. 2302(8) and 41 U.S.C. 259(d)(2)(B)).

THE FOLLOWING ADDITIONAL CLAUSES ARE SET FORTH IN FULL TEXT:

252.204-7004 REQUIRED CENTRAL CONTRACTOR REGISTRATION (MAR 1998)

DFARS

(a) Definitions.

As used in this clause—

- (1) "Central Contractor Registration (CCR) database" means the primary DOD repository for contractor information required for the conduct of business with DOD.
 - (2) "Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet Information Services to identify unique business entities.
 - (3) "Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by Dun and Bradstreet plus a 4-digit suffix that may be assigned by a parent (controlling) business concern. This 4-digit suffix may be assigned at the discretion of the parent business concern for such purposes as identifying subunits or affiliates of the parent business concern.
 - (4) "Registered in the CCR database" means that all mandatory information, including the DUNS number or the DUNS+4 number, if applicable, and the corresponding Commercial and Government Entity (CAGE) code, is in the CCR database; the DUNS number and the CAGE code have been validated; and all edits have been successfully completed.
- (b) (1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee must be registered in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation, except for awards to foreign vendors for work to be performed outside the United States.
- (2) The offeror shall provide its DUNS or, if applicable, its DUNS+4 number with its offer, which will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.
 - (3) Lack of registration in the CCR database will make an offeror ineligible for award.

(4) DOD has established a goal of registering an applicant in the CCR database within 48 hours after receipt of a complete and accurate application via the Internet. However, registration of an applicant submitting an application through a method other than the Internet may take up to 30 days. Therefore, offerors that are not registered should consider applying for registration immediately upon receipt of this solicitation.

(c) The Contractor is responsible for the accuracy and completeness of the data within the CCR, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to confirm on an annual basis that its information in the CCR database is accurate and complete.

(d) Offerors and contractors may obtain information on registration and annual confirmation requirements by calling 1-888-227-2423, or via the Internet at <http://ccr.edi.disa.mil>.

THE CLAUSES LISTED BELOW ARE INCORPORATED BY REFERENCE WITH THE SAME FORCE AND EFFECT AS IF THEY WERE GIVEN IN FULL TEXT. UPON REQUEST, THE CONTRACTING OFFICER WILL MAKE THEIR FULL TEXT AVAILABLE. (Also, the full text of a contract clause may be accessed electronically at these addresses: FAR and DFARS - <http://www.acq.osd.mil/dp/dars>; DLAD, PROCLTRS and FARS Deviations at <http://dlanet.dla.mil/procregs/regs.htm>.)

The following DLAD provision applies:

52.212-9000 MANDATORY PROVISIONS—COMMERCIAL ITEMS (JUN 1997) DLAD

The following **ADDITIONAL PROVISIONS** are set forth in **FULL TEXT**:
52.233-9000 AGENCY PROTESTS (SEP 1999) DLAD

Companies protesting this procurement may file a protest 1) with the contracting officer, 2) with the General Accounting Office, or 3) pursuant to Executive Order No. 12979, with the Agency for a decision by the Activity's Chief of the Contracting Office. Protests filed with the agency should clearly state that they are an "Agency Level Protest under Executive Order No. 12979." (Note: DLA procedures for Agency Level

Protests filed under Executive Order No. 12979 allow for a higher level decision on the initial protest than would occur with a protest to the contracting officer; this process is not an appellate review of a contracting officer's decision on a protest previously filed with the contracting officer). Absent a clear indication of the intent to file an agency level protest, protests will be presumed to be protests to the contracting officer.

52.233-9001 DISPUTES: AGREEMENT TO USE ALTERNATIVE DISPUTE RESOLUTION (JUN 2001) DLAD

(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 with legal counsel (see DLA Directive 5145.1). 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.

52.252-2 Clauses Incorporated by Reference.

As prescribed in 52.107(b), insert the following clause:

CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <http://acquisition.gov/far/loadmainre.html>