PERFORMANCE WORK STATEMENT
FOR
DEFENSE FUEL SUPPORT POINT SERVICES

Location

Davao, Philippines

As of March 31, 2026

Performance Work Statement (PWS)
For
Defense Fuel Support Point Services
Davao, Philippines

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1. DESCRIPTION AND PURPOSE OF REQUIRED SERVICES

1.1 Requirement: The Defense Logistics Agency (DLA) Energy requires Defense Fuel Support Point (DFSP) services in the Davao, Philippines area for a four-year base period, with one five-year option period. The following terms and conditions are applicable to the requirement for contract services and ancillary facilities for receiving, storing, protecting, and shipping U.S. Government-owned, Fuel, Naval Distillate Grade F-76 and Turbine Fuel, Aviation Grade JP-5.

1.2 Area of Consideration: Storage is required in Davao, Philippines. The area encompasses a region along the western coast of the Davao Gulf to include Davao City, Davao Del Sur and Malalag Bay.

1.3 Grades of Service: 548,000 BBLS dedicated storage for Fuel, Naval Distillate Grade F-76 and 429,000 BBLS Turbine Fuel, Aviation Grade JP-5 totaling 977,000 BBLS (fill) capacity at a single location is required.

1.4 Storage Capacity/Tank Requirements: 977,000 barrels (BBLS) storage (fill) capacity is required. A minimum of two tanks per fuel grade interconnected and segregated from other facilities and products handled within a storage facility is required for Fuel, Naval Distillate Grade F-76 Turbine Fuel, Aviation Grade JP-5. Performance start date will be within 18 months after contract award.

1.5 Physical System Requirements: Storage and distribution facility capable of receiving, storing, protecting, and shipping U.S. Government-owned Fuel, Naval Distillate and Turbine Fuel, Aviation. The Contractor shall have the capability to receive and load tankers and barges at Davao Philippines. The Contractor shall also have the capability to ship and receive JP-5 via 3rd party provided tanker trucks. The Contractor must have the additive injection capability for two (2) additives described in PWS paragraph 1.12 Additive Injection.

1.6 Allowed Throughput: Contractor shall have the capability of providing to the U.S. Government at least 1,000,000 barrels of total throughput for each year (~83,333 BBLs per month) hereafter referred to as "allowed throughput". Allowed throughput is defined and calculated by adding the total number of barrels for all product types received and shipped in a twelve consecutive month period, divided by two, starting when inspection and acceptance takes place after receipt of initial fill and resetting on the anniversary date each following year. Allowed throughput does not include initial fill or final shipment.

1.6.1 Initial Fill and Final Shipment: Contractor shall allow the U.S. Government to have an initial fill beginning at the twelve-month period immediately following inspection and acceptance, and final shipment during the last twelve months of the performance period, at no additional cost. Initial fill is defined, as all receipts required filling the storage tanks to 100% of the awarded fill capacity for each product. Final shipment is defined as all shipments required, withdrawing 100% of the awarded fill capacity.

1.6.2 Delays: The Contractor must provide all services as required without inexcusable delays or demurrage. The Contractor must describe the relationship between U.S. Government stocks and other stocks stored in the facility. The Contractor must provide details regarding port access, pier priority,

limitations, or restrictions for any shared assets, components, or infrastructure, including any potential delay or impediment on terminal management or operations.

1.7 Inventory Control Records and System of Record Requirements: The Contractor shall follow the physical inventory management procedures specified in applicable directives and contract supplement and in accordance with the most current version of Department of Defense Manual 4140.25 and DLA Energy Interim Policy and Procedural Guidance. The management of fuel inventories involves a full range of actions associated with order, requisition, receipt, transfer, issue, physical inventory, and storage of fuel. The Contractor shall process inventory data of Government-owned product(s) utilizing DLA Energy's web-based application Accountable Property System of Record (APSR). DLA Energy will provide training to a minimum of two Contractor personnel. See contract supplement INVENTORY CONTROL RECORDS AND SYSTEM OF RECORDS for additional information regarding the Governments inventory data requirements. The Contractor shall:

- Ensure that all orders, receipts, transfers, issues sales/credits, losses, gains, and adjustments are properly documented.

- Maintain control over the physical environment to ensure proper product storage can take place with minimal losses.

- If automated tank gauges (ATG) are used to report inventory volumes, ensure ATGs are calibrated annually and verified for accuracy against manual gauge readings monthly with the results recorded and filed. The DLA Form 2026 will be used for this purpose.

- Ensure inventory variations are within allowable limits. Document, investigate, report, and take corrective action, if necessary, on excessive variations.

- Ensure all actions are documented, verified, and annotated on applicable source documents IAW Department of Defense Manual 4140.25 and DLA Energy Interim Policy and Procedural Guidance. The source documents shall be complete, accurate, and available/provided within 72 hours of request.

Refer to PWS section 3 Training Requirements for APSR and other training requirements.

To process APSR inventory data, the Contractor is required to obtain a Common Access Card (CAC) (see Appendix A CAC Procedures) or, as an alternative, obtain an External Certificate Authority (ECA) no later than sixty days prior to inspection and acceptance. Authorized users who are not eligible for the CAC should refer to https://public.cyber.mil for current information on obtaining ECA provided certificates.

1.7.1 Inventory Access: The Contractor shall ensure DLA Energy has full unrestricted access to its complete inventory. DLA Energy Quality Assurance Representative/Contracting Officer's Representative (QAR/COR), Property Administrator (PA), and other DLA Energy representatives will be provided access to APSR onsite during Contractor normal working hours.

1.7.2 APSR Automated Data Processing (ADP) Equipment: The Contractor shall provide an ADP computer system that meets the current commercial standards for a computer system capable of accomplishing the data reporting and records keeping required by APSR, email, maintaining the data collection and records keeping associated with product quality surveillance (product analysis and testing reports), and the document collection and records keeping associated with the Contractor's preventive maintenance program. This includes CAC readers required for access to DLA systems.

1.8 Product Receiving Requirements: The Contractor shall provide facilities capable of receiving Fuel, Naval Distillate and Turbine Fuel, Aviation via tanker/barge on a **24-hour per day, 7-day per week basis** at pumping rates compatible with the mode of transportation tendered with a minimum of two headers (minimum of 6,600 barrels per hour (BPH) for tankers and 2,000 BPH for barges).

1.8.1 Receiving Dock Berthing and Mooring Facilities: The Contractor's facilities will be capable of safely receiving and berthing tanker/barge up to 48,000 dead-weight tonnage (DWT), and 750 feet length overall (LOA), beam of 110 feet with a minimum draft of 42 feet at the dock. The facilities should be equipped with a turning dolphin capable of accommodating the lateral forces induced when turning a vessel. As part of the technical proposal, the contractor shall provide a detailed description of any port restriction/requirement, along with height restrictions from ships manifold to the waterline during loading, as well as detailed schematic of the berthing and mooring facilities showing the minimum and maximum capabilities to include current dredging chats for evaluation. The Contractor capabilities shall include all arrangements, permits, licenses, etc. to receive tankers and barges at the facility. The Contractor must ensure unimpeded access to dock berthing and mooring facilities.

1.8.2 Receiving Tank Trucks: The Contractor's facilities shall have alternate capability to receive into seaport tankage via road tanker truck with a minimum of two receiving headers.

1.9 Product Shipping Requirements: The Contractor shall provide facilities capable of shipping U.S. Government-owned petroleum products via tanker/barge on a 24 hours per day, 7 days per week basis, at pumping rates compatible with the mode of transportation tendered (minimum 6,600 BBL for tankers and 2,000 BPH for barges). The Contractor's facility shall have the ability to simultaneously issue products to two (2) of the following types of vessels: Medium Range Tanker's and Barges. Barges are used to fill and support offshore moored vessels. The Contractor shall provide facilities capable to issue to tank trucks.

1.9.1 Shipping Tank Truck: The Contractor's facilities shall be capable of shipping Turbine Fuel, Aviation Grade JP-5 with or without additives (refer to paragraph 1.12 Additive Injection) via Government provided third party tank trucks 24 hours per day, 7 days per week basis.

1.9.2 Tank Truck Loading and Shipping Facility: The Contractor's tank truck loading and shipping facility shall provide unrestricted access to Government provided third party tank trucks, be capable of bottom loading product, be equipped with a Scully overfill protection system (or compatible), be equipped with temperature compensating meters to accurately measure the product being loaded and be able to load a minimum of two 8,000 USG tank trucks

per hour. The Contractor's tank truck loading facilities shall follow applicable federal, state, and local environmental laws and regulations based upon the type of product being loaded.

1.10 Local Clearances/National Notification Requirements: The Contractor shall be responsible for obtaining all required Country, National, Local notifications, clearances, and filing, required for the purposes of receiving and issuing U.S. Government owned products at their facilities. Any costs/fees required need to be included in the offer in the firm-fixed price.

1.11 Routing Instructions: The Contractor shall comply with loading instructions furnished by the DLA Energy Region office. Such instructions will include carrier names, routes, route order numbers, and other pertinent shipment information.

1.11.1 Daily Log: The Contractor shall maintain a daily written log of motor carrier performance to include: carrier, destination, number of trucks ordered, number of trucks furnished, and deficiencies. On the last business day of each calendar month, the Contractor shall forward a copy of the daily written logs to the DLA Energy Region office having oversight of the motor carrier contract.

1.12 Additive Injection: Will be installed so that it can be used on the outbound side of the system for shipping Via Tank truck, Barge/Tanker and have the capability to recirculate through the storage tanks. Contractor must be able to ship all products via tanker/barge and Tank Truck on a **24-hour per day, 7-day per week basis.** When required to inject additives, the Contractor will be instructed by QAR/COR or the DLA Energy Region office (see supplement DESIGNATION OF THE DEFENSE FUEL REGION). All required additive injection will be accomplished in accordance with (IAW) the most current version of MIL-STD-3004-1, DEPARTMENT OF DEFENSE STANDARD PRACTICE: QUALITY ASSURANCE FOR BULK FUELS, LUBRICANTS AND RELATED PRODUCTS, and the appropriate contract.

1.12.1 Additives Required: The additives required for injection shall be Contractor provided. The Contractor shall purchase, receive, store, inject, and always maintain additives on specification. All additive costs shall be included in the monthly firm-fixed-price.

1.12.1.1 Fuel System Icing Inhibitor (FSII): The Contractor shall provide storage and injection system for FSII. Minimum 500 gallons of FSII will always be stored and available. FSII Storage system will have the ability to fill 55-gallon drums for shipment. FSII will be injected based on product specification requirements. The injection requirements that apply to JP-5 stocks will be IAW contract supplement OPERATION OF FUEL SYSTEM ICING INHIBITOR ADDITIVE SYSTEM CONTRACTOR-OWNED CONTRACTOR-OPERATED (COCO).

1.12.1.2 Corrosion Inhibitor/Lubricity Improver Additive (CI/LI): The Contractor shall provide an injection system for CI/LI. CI/LI will be injected based on product specification requirements. The injection requirements that apply to JP-5 stocks will be IAW contract supplement OPERATION OF CORROSION INHIBITOR/LUBRICITY IMPROVER ADDITIVE SYSTEM, CONTRACTOR- OWNED CONTRACTOR-OPERATED (COCO).

1.12.2 Additive Storage/Injection Plan: The Contractor shall provide with their proposal a

comprehensive and detailed additive plan that clearly demonstrates how they will purchase, receive, store, inject, and maintain the required additives to support the allowed throughput. See Section 4. Deliverables.

1.13 Product Quality Surveillance: The Contractor shall be responsible for maintaining the quality of the Government-owned Aviation Turbine Fuel stored at the Contractor's facility IAW the most current version of MIL-STD-3004-1, DEPARTMENT OF DEFENSE STANDARD PRACTICE: QUALITY ASSURANCE FOR BULK FUELS, LUBRICANTS AND RELATED PRODUCTS. No petroleum products will be received or shipped without first determining and confirming conformance with product quality requirements. No conveyance/container will be loaded until it is inspected by qualified contractor personnel and deemed suitable to carry the intended product. Products will be shipped on a first-in, first-out basis unless otherwise approved or directed by the QAR/COR or the DLA Energy Region office. Non-conforming product will be reported to the QAR/COR or the DLA Energy Region office immediately, but no later than 15 minutes after discovery. Any time product is received into a tank, the tank's contents will be suspended from issue pending quality conformance sampling and testing. The Contractor shall ensure that certificates of quality conformance (test reports) are maintained on file for all on-hand fuel stocks.

1.13.1 Contaminated Product Liability: The Contractor is liable to the U.S. Government for the cost of the product and the cost of disposal or remediation for all products that become contaminated while at the Contractor's facility due to Contractor fault or negligence.

1.13.2 Off Specification Product Reporting: The Contractor shall report immediately, but no later than 15 minutes after discovery, to the QAR/COR or the DLA Energy Region office, and the Contracting Officer, all receipts or on hand stocks that fail to meet product quality for receipt, storage, or shipment in accordance with the most current version of MIL-STD- 3004-1. Suspected off-specification product will be isolated, tested and will not be released for shipment until authorized by the QAR/COR or the DLA Energy Region office.

1.13.3 Laboratory Testing Requirements: The Contractor shall perform laboratory testing in accordance with (IAW) the most current version of MIL-STD-3004-1, Table IX Minimum Sampling and Testing Requirements for Petroleum Products, and sampling in accordance with American Society for Testing Materials (ASTM) D4057 Manual of Petroleum Measurement Standards (MPMS), Chapter 8.1 Standard Practice for Manual Sampling of Petroleum and Petroleum Products. At a minimum, the Contractor shall have Type C testing capability on site and have Type B2 level on site or subcontract Type B2 level of testing. The Contractor must provide detailed information in its proposal when subcontracting for the required testing to allow DLA Energy to evaluate for final approval. Information to include at a minimum: laboratory name, point of contact, location, testing capabilities, employee proficiency, and testing turn-around times.

1.13.3.1 Laboratory Testing Turn-around Times: The contractor shall ensure that laboratory testing is completed within a maximum of 24 hours of obtaining the sample from the source mentioned in paragraph 1.13.4. Turn-around time ends when testing results are delivered to QAR/COR or the DLA Energy Region office. If testing cannot be completed within the turn-

around time the contractor will immediately notify the QAR/COR or the DLA Energy Region office, and the Contracting Officer, with a mediation plan to conduct the testing from another source.

1.13.4 Sampling: The Contractor shall be capable of petroleum product sampling IAW ASTM D4057 of vessels, barges, tank trucks, storage tanks, pipelines as applicable to the location. The Contractor shall maintain a supply of 10 unused epoxy lined fuel sample shipping containers for DLA Energy use or emergency need. Sample containers shall be stored to ensure they are clean and free from all substances that might contaminate the product being sampled. Containers must meet the following specifications: Complies with ASTM D4306 Standard Practice for Aviation Fuel Sample Containers for Tests Affected by Trace Contamination, height not to exceed 9 inches, diameter not to exceed 7 inches, capacity 1 USG, bung plug ¾" with lock-wire hole, carrying handle able to be shipped as hazardous material.

The Contractor shall be responsible for transporting all petroleum samples from the job site to its laboratory, or its subcontracted laboratory, and/or to a Government contracted laboratory for higher level testing as directed by the QAR/COR or the DLA Energy Region office in accordance with local, state, or federal laws.

1.13.4.1 Additional Samples: The Contractor shall provide to the QAR/COR samples of any product being stored, shipped, or received under the contract, at the request of, and in the manner designated by the QAR/COR. These samples will be provided in addition to samples required elsewhere in the contract. The total number of these samples to be provided during any 12-month period will not exceed eight times the number of tanks specified in the contract. The packing, marking, shipping, and the associated costs, shall be the responsibility of the Contractor. Samples shall be shipped within 24 hours of request and arrive to supplied address within three calendar days.

The Contractor shall provide the QAR/COR samples of any product being stored, shipped, or received under the contract IAW ENERGY QAP E28 CONTRACTOR INSPECTION RESPONSIBILITIES (STORAGE).

2. GENERAL INFORMATION

2.1 Billing: Unless otherwise directed, the Contractor shall prepare and distribute Government bills of lading and all necessary documentation required in receipt and/or issuing of product. Bills of lading, routing instructions, and transportation assistance will be furnished by the DLA Energy Region office.

2.2 Ancillary Facilities: The Contractor shall provide the following facilities, at a minimum, under this requirement.

2.2.1 Tanks: All tanks and facilities offered must meet the minimum requirements of the current American Petroleum Institute (API) standards, National Fire Protection Association (NFPA) codes, and/or all federal, state, and local laws and/or regulations applicable to tanks and facilities of the type to be provided. The tanks will be interconnected to provide the capability of recirculating and filtering of product between tanks. Each storage tank will be equipped with a

fuel/water separation system for collection of all product or water drawn/removed from its bottom water drain(s). Bulk fuel storage tanks shall be drained of water after each product receipt, a minimum of weekly thereafter, and prior to each issue.

2.2.2 Filtration: Contractor furnished fuel filtration/separation system is required. The fuel filtration/separation system must be of the kind that meets the specifications outlined in the current API/IP Publication 1581, "Specifications and Qualification Procedures – Aviation Jet Fuel Filter/Separator." Normal filter replacement is at the Contractor's expense. All costs for filters, disposal, labor, and supplies will be included in the contract price.

2.2.3 Lighting: The facility must be equipped with illumination to allow receipt/issue operations during hours of darkness.

2.3 Best Commercial Practices: In the absence of any contract provisions or references to a method, specifications or other instruction, the Contractor shall perform all services hereunder in accordance with best commercial practices. These practices will be documented in Contractors Standard Operating Procedures (SOP).

2.3.1 Testing/Commissioning: The Contractor is responsible for all required testing of facilities offered. DLA Energy shall not provide fuel to support any testing or commissioning of Contractor's proposed facilities.

3. TRAINING REQUIREMENTS: The Contractor shall ensure personnel are trained by job classification. The Contractor is responsible to meet the following training requirements and certification:

a. The Terminal Manager (TM) shall complete the training as required in DLA Energy P-7, P-26, and P-32, and shall obtain a CAC in accordance with Appendix A. The TM shall first complete the DLA Energy Responsible Officer, Terminal Manager, and Property Administrator (RO/TM/PA) computer-based training course within 90 days of appointment. Within 120 days of the appointment, must complete the Formal Joint Terminal Managers & Responsible Officers Course in person or virtual. The TM must also complete the RO/TM/PA computer-based training course every two years for refresher training in order to remain current on DLA Energy and DoD policy and application changes. Prospective eligible applicants shall apply through the online registration tool located at: https://www.fuelstraining.com. CBT training requirements for DFSP personnel are located at https://www.fuelstraining.com.

b. The DLA Energy Account Transaction Processor/Recorder (inventory accountant) shall complete the training as required in DLA Energy P-7, P-26 and P-32, and shall obtain a Common Access Card (CAC) in accordance with Appendix A and 1.7 of the PWS, or, as a minimum, obtain an External Certificate Authority (ECA). During the six months on the job training period, the inventory accountant must complete the FMD Accounting computer-based training (CBT). The inventory accountant shall first complete the current Base-Level Defense Fuels Management Course in person or virtual. The inventory accountant will maintain training proficiency by completing the Base Level Support

Application (BLSA) CBT every two years. The Contractor shall have a minimum of two inventory accountants, one primary and one alternate.

c. DLA provides formal training courses of instruction at a training facility in Alexandria, VA or virtual via https://www.fuelstraining.com. Prospective eligible applicants shall apply through the online registration tool located at https://www.fuelstraining.com. Virtual requirements for DFSP personnel are also located at https://www.fuelstraining.com. The Contractor shall factor in all travel and any other expenses for their personnel to attend the courses in the COCO monthly service price.

4. DELIVERABLES

4.1 Contractor Detailed Plans: Following contract award, the Contractor will have 60 days, unless otherwise indicated, to submit the QAR/COR reviewed plans to the Contracting Officer for review and acceptance. The detailed plans listed below will be reviewed by the QAR/COR prior to submitting them to the Contracting Officer. The plans are considered dynamic documents and will be updated, as required, throughout the contract period.

4.1.1 Contract Compliance Plan (CCP): The Contractor is responsible for ensuring compliance with all contract performance requirements. As such, the Contractor shall develop an inspection system acceptable to the Government for monitoring overall contract performance. The inspection system is to include a written CCP developed and used by the Contractor to measure performance on a continuous basis. The CCP, at a minimum, will include performance-based plans.

- General performance criteria will include the Contractor's ability to provide continuous support capabilities as specified in this PWS.
- Record keeping and reporting procedures pertaining to administrative requirements.
- Bulk storage operations.
- Facility/equipment maintenance.

The CCP will include time specific checklists for evaluation of all operational and preventive maintenance requirements. The CCP will address procedures for corrective actions including the resolution of Corrective Action Report (CAR) and Quality Deficiency Reports (QDR) generated by the QAR/COR.

Within 60 days after award the Contractor shall submit the CCP to the QAR/COR for review prior to forwarding to the Contracting Officer for final approval. The CCP will be made available for Government review, upon request, at any time during the contract performance period. The CCP may be used by the QAR/COR for monitoring and assessing contract performance.

4.1.2 Product Quality Control Plan (QCP): The Contractor shall provide a comprehensive and detailed plan that will ensure that products handled by the Contractor remain on specification.

The plan's quality control procedures will include all DLA-Energy QAP E1.11. QUALITY CONTROL PLAN. The plan will describe how product quality surveillance data will be documented and reported. The plan will identify responsible parties for the functions. This plan will be submitted to the QAR, for review and approval, prior to the first receipt of Government-owned product or within 60 days after contract award, whichever occurs first. The approved plan will be effective at the start of the contract performance period.

4.1.3 Additive Storage/Injection Plan: The Contractor shall provide with their proposal a comprehensive and detailed additive plan that clearly demonstrates how they will purchase, receive, store, inject, and maintain the required additives to support the allowed throughput.

5. Contract Line Items (CLINs): Prices for all storage and ancillary services included in this PWS should be included in the monthly price.

Appendix A

Contractor Instructions
Common Access Card (CAC) Procedures

Performance under this contract will require the contractor to obtain a Common Access Card (CAC). If CACs are issued under this contract, the contractor shall complete and comply with the following steps to obtain, control, and turn-in Government-issued CACs, as well as establish procedures to control and account for contractor CACs at all times. This process is only for the issuance and accountability of CACs. Contractors may be required to provide additional forms and follow additional procedures for other forms of access and/or background/security checks depending on local site/installation requirements.

1. The contractor has each contractor employee requiring a CAC complete and sign Sections I and II of the DD Form 1172-2. The instructions for completing the DD Form 1172-2 are located at https://www.cac.mil/Resources/

   For Section II, Block 22 - If the contractor employee signs and the DD Form 1172-2 it is then forwarded by the contractor. This provides verification for the employee information. If the contractor is submitting a DD Form 1172-2 for him/herself (e.g., the owner), with no higher authority above them for verification, then the signature in Block 22 must be notarized to verify their identity.

2. The contractor forwards the DD Form(s) 1172-2 via hand-carry, secure mail, or encrypted email to (NOTE: The contractor may forward these forms individually or as a group):

   - The Contracting Officer's Representative (COR) for the contract if a COR was designated.
   - The Contracting Officer (CO) for the contract if no COR was designated.
   - Each contractor employee must verify his/her account information upon receipt of an email from the Government containing a username and password for the Mission Partner Identity, Credential and Access Management (MP ICAM). The web link for MP ICAM is included in the email.

3. Each contractor employee will receive an email via MP ICAM when his/her account has been approved. The email will notify the employee to obtain a Government-issued CAC from the nearest Real-Time Automated Personnel Identification System (RAPIDS) office. The email will also provide a link that identifies the locations of RAPIDS offices.

4. Each contractor employee shall obtain his/her issued CAC from the RAPIDS office.

5. The contractor, within one (1) business day of issuance, provides written notice via email to the COR (or the CO, if no COR was designated) for each contractor CAC issued identifying the contractor employee's name, the date of issuance, and the date of

expiration of the CAC. This notification may be made individually for each contractor employee or together for a group of contractor employees.

6. The contractor establishes procedures to control and account for Government-issued contractor CACs at all times, to include the following:

    - Ensure contractor CACs issued for this contract are only used for the purpose of performing under this contract.
    - Ensure contractor CACs are secured in a manner that precludes unauthorized use and that recognizes the CAC is the property of the U.S. Government.
    - Ensure contractor employees do not abuse or place holes in their CACs.
    - Ensure contractor employees do not display their CACs in public.

7. If a contractor CAC is lost or stolen:

    - The contractor employee shall immediately notify the contractor that the contractor CAC has been lost or stolen.
    - The contractor shall immediately notify the COR (or the CO, if no COR was designated), detailing the circumstances regarding the lost or stolen contractor CAC, as follows:
    - In person, followed within one (1) business day by a written notice via email, or
    - In writing, via email, or
    - By telephone, followed within one (1) business day by a written notice via email.
    - The contractor shall report the lost or stolen CAC card to the local DLA Police/host installation police, who will provide the contractor a police report. If there are no local DLA Police/host installation police, or no police report is provided, the contractor shall provide information to the COR/CO, as applicable, detailing the circumstances of how the CAC was lost or stolen. The COR/CO will provide a memorandum for the contractor employee to support issuance of new CAC.
    - The contractor has the contractor employee bring the report/memorandum to the nearest RAPIDS office. If the CAC can be reissued within 24 hours, bring the report/memorandum to the nearest CAC office for reissue. If the CAC cannot be reissued in 24 hours, follow the steps for a new CAC, beginning at Step 1.

8. If the expiration date for a contractor CAC is prior to completion of the contract and the contractor employee is to continue working under the contract and still requires a CAC, the contractor:

    - Notifies the COR as follows:
    - In person, followed within one (1) business day by a written notice via email, or
    - In writing, via email, or
    - By telephone, followed within one (1) business day by a written notice via email.
    - No less than two (2) weeks prior to the current CAC's expiration date, completes and complies with the steps above beginning with Step 2 for issuance of a new contractor CAC for the employee.

- Brings the expiring CAC to the RAPIDS office for turn-in and receives new CAC.
- Notifies the COR once a new CAC has been issued.

9. The contractor/contractor employee turns in any found CACs immediately, via hand-carry, to the nearest Federal law enforcement office.

10. The contractor immediately collects all contractor CAC(s) from the contractor employee(s) at:

    - Contract completion or termination
    - Termination/Reassignment of an employee (this includes any reason the employee is no longer working for the contractor under the contract or otherwise no longer requires a CAC)

11. The contractor:

    - For contract completion or termination – within one (1) business day after collecting the contractor CAC(s), arranges for turn-in via one of the below methods:
    - If the COR/CO is co-located or near enough that in-person transfer of CACs can be arranged, the contractor:
    - Arranges to meet the COR (or the CO, if no COR was designated) to turn-in the collected contractor CAC(s).
    - Hand-carries all collected contractor CACs for turn-in to meet the COR (or the CO, if no COR was designated).
    - Completes and signs the Government-Issued Contractor CAC Turn-In Receipt with the COR (or the CO, if no COR was designated). The contractor is provided a copy of the receipt.

      If in-person transfer of CAC cannot be arranged, the contractor:
        - Send, via certified mail, the CACs to the COR/CO. The contractor includes in the package the Government-Issued Contractor CAC Turn-In Receipt, with signed acknowledgement of contractor turn-in.
        - Notifies COR/CO that CACs have been sent via certified mail.
        - Receives a completed copy of the receipt from the COR/CO once the COR/CO has received the CACs.

    For termination/reassignment of an employee:
    - Immediately notify the COR (or the CO, if no COR was designated) that the employee is no longer working for the contractor under the contract or otherwise no longer requires a CAC, as follows:
    - In person, followed within one (1) business day by a written notice via email, or
    - In writing, via email, or

- By telephone, followed within one (1) business day by a written notice via email.

Follow the turn-in procedures above for contract completion or termination, as applicable.

Contractor Reporting Requirements: The contractor is required to submit, on a monthly basis, to the COR (or the CO, if no COR was designated) a report of all employees working on the contract who have been issued CAC cards and a verification of whether each listed employee still requires a CAC. The report must note where changes have occurred (additions or deletions) since the previous month. Contractor employees who already have a CAC related to another DLA or DoD contract must be included in the monthly report. Contractor shall note the issuing organization and the CAC expiration date. Contractor is still responsible for notifying the COR/CO when the individual is no longer working under the subject contract.

The above procedures have been established as a DLA security measure. Contractors are advised that failure to comply with any of the above requirements will be considered a violation of the terms and conditions of the contract and the Contracting Officer may take action to remedy such violations. Specifically, failure to safeguard, follow these procedures, including reporting requirements, or turn-in CACs within the established timeframes may result in the following actions, which are in addition to other actions the Contracting Officer may take under governing law and regulation and the terms and conditions of the contract:

- Immediate work stoppage (issuance of a stop work order), not to be lifted until resolution of CAC issue
- Disapproval of invoices and delay of payment
- Withholding of final payment (in accordance with FAR 52.204-9)
- Documentation of CAC Non-Compliance in the Contractor Performance Assessment Reporting System (CPARS)