STATEMENT OF WORK

Hardware Acquisition Recompete, DLA Direct (HARDD)

In Support of All U.S. Military, Foreign Military, and Non-Military Customers

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1.0 INTRODUCTION AND SCOPE

This Statement of Work (SOW) outlines the Government's requirements for material support under Federal Supply Classes (FSC) as shown below and in Attachment 2 (Schedule B). The Government seeks to award multiple 100% Small Business Set Aside (SBSA), Firm-Fixed Price, Indefinite Quantity contracts consisting of a five (5)- year base performance period and one, five (5) year option period. Contractors are required to price 45% of the NIINs at Attachment 2 to be considered for award.

Each awardee certification will be verified as a Small Business via System for Award Management (SAM). If a proposal is submitted and the supplier's status as documented in SAM is not compliant with the set-aside requirements as of the date of the proposal submittal, the proposal will be considered non-responsive, and no action will be taken on the proposal, and the supplier will be notified of their removal from the evaluation process.

The purpose of this solicitation is to provide DLA Direct (DD) support for open and competitive National Stock Numbers (NSNs) within the following Federal Supply Classes (FSC):

FSC 5301 | Historical FSC
FSC 5305 | Screws
FSC 5306 | Bolts
FSC 5307 | Studs
FSC 5310 | Nuts and Washers
FSC 5315 | Nails, Machine Keys, and Pins
FSC 5320 | Rivets
FSC 5325 | Fastening Devices
FSC 5330 | Packing and Gasket Materials
FSC 5331 | O-Ring
FSC 5335 | Metal Screening
FSC 5341 | Brackets
FSC 5342 | Hardware, Weapon System
FSC 5345 | Disks and Stones, Abrasive
FSC 5346 | Historical FSC
FSC 5350 | Abrasive Materials
FSC 5355 | Knobs and Pointers
FSC 5360 | Coil, Flat, Leaf, and Wire Springs
FSC 5361 | Historical FSC
FSC 5365 | Bushings, Rings, Shims, and Spacers
FSC 5390 | Historical FSC
FSC 5395 | Historical FSC

The Statement of Work (SOW) outlines the requirements of the HARDD Strategic Project to acquire and provide a broad range of competitive NIINs for the above FSCs. Each awardee will be required to provide the NIINs to the Government IAW the terms and conditions of the contracts. The SOW defines the supplier's requirements that will ensure On-Time Delivery (OTD) to the specified location on each delivery order and meet the stated contract requirements. Each awardee is solely responsible to the Government for the cost and quality of the items

delivered under the contract. All awardees will be able to compete to become the source of supply for NIINs added to the contracts at a later date if adequate performance is maintained as defined by the contract.

H-900 PRICING OF ITEMS ADDED TO THE CONTRACT
NIINs that are not specifically identified at the time of contract award may be added/deleted to/from the contract(s). All items must meet the same compliance criteria established by the baseline contract (similar type items within the specified FSCs, AMSC, and other criteria established by the Government). NIINs not previously identified in the contract will require coordination and approval IAW approved United States Government (USG) Small Business coordination processes. For NIINs identified as adds to this LTC, the NIINs will be competed among the HARDD holders only. In this competition, the Contracting Officer will consider price offered, confirming the part offered is from an approved source, and all other requested information has been supplied. Competition between the awardees will be conducted on each item identified as a requirement by the Government.

During any performance period, the Government may unilaterally delete any NIIN due to changing demand patterns, obsolescence, NIIN substitution, or because they no longer have application. The awardee is to notify the Contracting Officer of any NIIN deemed to be obsolete, unavailable, out of production, or superseded and may recommend deletion from the contract. The notice shall include complete information as to appropriate superseding, substitution, or alternate, and how such NIIN meets the fit, form, function, and interchangeability requirements of the obsolete, unavailable out of production, or superseded. If an obsolete NIIN has no replacement, the notice shall include information concerning the availability of alternate sources or substitutes. If the Contracting Officer agrees to remove any NIIN from the contract, removal of the NIIN will be done by unilateral modification.

2.0 CONTRACTOR REQUIREMENTS

2.1 Business Management: Each awardee is responsible for providing the awarded NIINs. Each awardee shall be responsible for selecting capable contractors to provide the required items while managing numerous delivery orders to support required delivery dates. Managing numerous contractors with various levels of capability and technology expertise while maintaining processes and procedures to prevent and resolve performance and quality issues. Maintaining the technical expertise to meet the sourcing and quality requirements while maintaining processes and procedures to assure the requirements for packaging, marking, packing material, qualities, and transportation, as defined by the contract, are met. Maintaining a plan to assure items are purchased from only approved sources, that do not violate country of origin limitations, small business manufacturing requirements, or other limitations established by this contract. At the completion of contract performance (within 45 days of the Contracting Officer's request), the supplier shall provide a list of all NIINs with the associated CAGE, if applicable, from where the items were purchased/manufactured to support the contract performance. The format of information shall be provided in Excel format.

2.2 REMOVED

2.3 Order Processing and Invoicing: Each awardee is required to receive electronic orders, submit electronic invoices, and submit requests for payment through Wide Area Work Flow (WAWF). Payments to each awardee shall be made via Electronic Funds Transfer (EFT).

2.4 Place of Delivery: The supplier shall deliver the NIINs to the DLA direct location(s) identified in each delivery order.

2.5 Surge and Sustainment: The Government is not obligated to order any of the Surge quantities and the supplier shall not ship such quantities without receipt of an order clearly designated for surge quantities.

2.6 Transportation: Delivery shall be FOB Origin including FMS orders. Shipments may be to any OCONUS or CONUS DLA Depot. The supplier shall consolidate shipments from the same source to the same destination whenever possible. Inspection / Acceptance will be Origin or Destination depending on the criticality of the item as specified in Attachment 2 and Attachment 3 (Quality Matrix). First Destination Transportation will be utilized.

2.7 Delivery: The supplier shall deliver directly to the location designated on each delivery order. The supplier shall ship the ordered NIIN(s) to ensure arrival by the required contract delivery date specified in the delivery order.

2.8 Metrics: All contractors shall strive to obtain a 100% OTD, but must meet 90% at a minimum, for each item they are awarded. OTD will be tracked annually using the previous 12 months' delivery performance to determine the OTD rate. Reports showing the delivery rate will be provided to the contractor within 60 days after the end of each performance year. Once the contractor receives the OTD report from the Government the contractor has 14 days to submit discrepancies. All discrepancies must be accompanied by proof of on-time delivery to be considered by the Government.

2.9 Contractor Performance Assessment Rating System (CPARS): This contract may require CPARS reporting as described in FAR Part 42.15.

2.10 Price Breaks: The contractor is requested to provide price breaks for all items, especially items with a Minimum Order Quantity (MOQ) of 25 or less.

2.11 Security Requirements: The Contractor shall follow and comply with all National Institute of Standards and Technology (NIST) policies of the contract. At the time the Department of Defense (DoD) imposes the new Cybersecurity Maturity Model Certification (CMMC) process, the Contractor shall comply with the policy and secure the required certification, regardless of the potential that the new policy may not require active DoD contract holders to comply. The Government reserves the right to review contract NIST compliance, which may require additional documentation during contract performance.

3.0 PERFORMANCE METRIC: ON-TIME DELIVERY

All contractors shall strive to obtain a 100% OTD, but must meet 90% at a minimum, on-time delivery rate. An order is considered to be on-time when one of the following occurs within the

timeframe specified in the delivery order: the contractor has delivered the full quantity in conformance with the order to the customer delivery point, or the full quantity has been accepted by the Government as indicated on DD Form 250/Receiving Report, which is currently located in the Procurement Integrated Enterprise Environment (PIEE).

3.1 Performance Standards: Below are the Performance Standards that will be used in evaluating performance. These standards and ratings are designed to determine if performance meets or does not meet the base contract requirements. Note: The use of these performance standards or failure of the Government to apply these performance standards does not waive any of the Government's rights to other remedies under this contract or otherwise available to the Government.

SATISFACTORY - Performance meets or exceeds contractual requirements. The contractual performance reflects some minor problem(s) for which corrective actions taken by the contractor appear or were satisfactory.
FAIR - Performance does not meet some contractual requirements. The contractual performance reflects a minor problem(s) for which the contractor has not yet identified corrective actions. The contractors proposed actions appear only marginally effective or were not fully implemented. The minor performance problem(s) do not adversely impact the mission of the Agency.
MARGINAL - Performance does not meet some contractual requirements. The contractual performance reflects a serious problem(s) for which the contractor has not identified corrective actions. The contractors proposed actions appear only marginally effective or were not fully implemented.
UNSATISFACTORY - Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

If the contractor is not performing at the stated metrics, then the Contracting Officer has the right to use any contractual remedies, including those listed in section 3.2, Off ramping. The lower the rating, the more severe the remedies that will be implemented.

3.2 Off Ramping: To ensure the success of HARDD, each HARDD Prime Contractor must meet the satisfactory performance standards of the contract. If a HARDD Prime Contractor does not meet the performance standards, it is the Government's intent to off-ramp the contractor by:

- Providing a cooling off/remedial period during which the contractor will not be allowed to compete on add groups (See H-900). The contractor will be required to submit a get-well plan. The time period for the cooling off/remedial period will be at the Contracting Officer's discretion and will depend on the specific performance issues that the contractor is experiencing.
- Permitting such Contractor's IDIQ contract to expire instead of exercising the option; or
- Implementing a termination for convenience (if applicable and only if such action is in the Government's best interest); or
- Implementing a termination for cause/default, if applicable; or
- Taking any other action which may be permitted under Federal regulations and the HARDD terms and conditions.

If a Prime Contractor is off ramped, the Contracting Officer will recompete the removed Contractor's contract items as an add group among the HARDD holders.

3.3 On Ramping: Consistent with FAR 16.504(c)(1)(ii)(A), the Procuring Contracting Officer (PCO) has determined that it is in the Government's best interest that at all times during the term of the Basic Contract, there remain an adequate number of HARDD prime contractors eligible to compete for NIIN additions. Over time, the total number of HARDD prime contractors may fluctuate due to various reasons including industry consolidation, significant changes in the marketplace or advances in technology, general economic conditions, the Government's exercise of the off-ramp process, or other reasons. Recognizing this, DLA intends to periodically review the total number of HARDD prime contractors participating in the HARDD contract and determine whether it would be in the Government's best interest to initiate an open season to add new contractors to the HARDD Basic Contract.

3.4 Open Season: If DLA determines that it would be in the Government's best interest to open a new solicitation to add new HARDD Prime Contractors, the PCO may do so at any time provided that:
(a) The solicitation is issued under then-applicable federal procurement law;
(b) A decision is made to award the same or a different number of HARDD contracts than the number awarded following the original solicitation depending upon the overall quality of the offers received.
(c) Any Offeror that meets the eligibility requirements may submit a proposal in response to the new solicitation.
(d) The award decision under any solicitation is based upon evaluation factors similar to the original solicitation.
(e) The terms and conditions of any resulting awards from a new solicitation are not materially different from the existing version of the basic contract;
(f) The terms for any such new awards from a solicitation is coterminous with the existing term for all other HARDD Prime Contractors, including the option periods; and
(g) If awarded a HARDD contract, any new HARDD Prime Contractor is eligible to submit a proposal in response to add groups and receive delivery orders with the same rights and obligations as any other HARDD Prime Contractors.

3.5 H-901 Option Period Evaluation and Award: The period of performance for the resulting contracts may be up to 10 years, consisting of a base five-year period beginning on the date of the award and one five-year option period immediately following the base period to be exercised at the determination of the Contracting Officer. Using past performance information from the HARDD holder(s), to include the offeror's OTD for this contract, the Contracting Officer will make a determination prior to the end of the basic period concerning the eligibility of a contractor to compete in the next period of performance.

Base period pricing will be escalated as the basis for the option years' pricing. Contractors will be given the option to accept or reject the escalated prices for the option years. Any prices that are rejected will be competed amongst all HARDD contractors as an option add group.

4.0 TECHNICAL REQUIREMENTS

4.1 Packaging: Preservation, packing and marking for shipment shall be in accordance with MIL-STD-2073-1 Standard Practice for Military Packaging, unless otherwise indicated differently in the order, TDP, or supplemental technical requirements.

Marking shall be IAW MIL-STD-129R. Additional Unique Special Packaging Instructions not identified in this paragraph may be added at the order level, tailored to the specific order requirement.

The generic term packaging shall include preservation, unit packing, packing, unitization, and marking. Items not designated for military distribution shall be packaged following standard commercial practices in accordance with ASTM D3951 and marked in accordance with MIL-STD-129. All contractual deliverables shall be received at the final destination undamaged and in useable and operational condition.

Items that require military packaging as indicated in the order, TDP, or supplemental technical requirements shall be packaged as per MIL-STD-2073-1.

4.2 Higher Level Quality: The contractor shall comply with the higher-level quality standards of ISO 9001:2015. The Government shall have access to the contractor's quality manual at the contractor's facility at any time. The Government has the right to audit and/or examine the contractor's quality management system, inspection system and quality management system documentation including documented statements of a quality policy, documented quality objectives, quality manual, documented procedures/work instructions and records required by the quality management system standard, and documents including records determined by the contractor to be necessary to ensure the effective planning, operation and control of its processes. The documentation can be in any form or type of medium and software. The Government has the right to audit, examine and test hardware used for quality management, test or inspection. The Government's audit and/or examination shall be on the premises of the contractor or supplier, to the extent practicable, at all places and times. The Government's audits and/or examination of the contractor's quality management system, inspection system, and quality management system documentation will be conducted in a manner that will not unduly delay the contract work. The Government's audit and/or examination, whether exercised or not, does not relieve the contractor of the obligations under the contract.

4.3 Item Descriptions: All materials delivered under this contract shall be provided in strict compliance with the applicable Procurement Item Description (PID) requirements. Compliance includes conformance to all standards for testing, inspection, packaging, repacking, marking, etc. The Contractor is responsible for notifying the Government if the part number or technical data (including specification and drawing revisions) are different from the information cited in the PID (Attachment 8). Until the Government has approved such a change, the Contractor shall provide the product in accordance with the PID.

The Contractor shall receive Government approval prior to ordering material from sources

other than those approved in the PID, on a source-controlled drawing, or in a qualified products list.

Contract Data Requirements List (CDRLs), DD Form 1423 may apply to this procurement. CDRLs are used to delineate any requirement for data which must be provided by the Contractor as deliverable items. This can include, but is not limited to, Pre-production Test Reports, special process demonstration reports, etc.

If a CDRL applies, it will be stated in PID Text/Item Description as a QAP with CDRL in the description. CDRL documents are posted to cFolders (https://pcf1x.bsm.dla.mil/cfolders/).

4.31 Warranty: The Contractor shall provide an adequate commercial warranty that is consistent for all items. The Contractor shall have a return/exchange program for incorrect or defective components.

4.3.2 Obsolescence Management: The Contractor shall have an obsolescence management program to manage the loss, or impending loss, of manufacturers or suppliers. The program shall include notifying the Government with information regarding any known obsolescence issues and assisting the Government in establishing obsolescence solutions.

4.3.3 Configuration Control: The Contractor will ensure Configuration Control is maintained in accordance with the PID requirements. Any process deviations and/or waivers shall be coordinated with the KO for approval.

4.4 Product Quality Deficiencies (PQDRs) & Supply Discrepancies (SDRs): The Contractor shall process all PQDR/SDR actions. The Contractor is required to obtain and maintain WEBSDR access at https://home.daas.dla.mil/daashome/websdr.asp

The Contractor shall investigate and resolve PQDR/SDR actions relating to non-conforming or discrepant material. The Contractor shall submit its recommended resolution to the KO within fifteen (15) calendar days of being notified of the action by the customer. For Type W SDRs written for shipments that do not have the required information/packaging to enable forward movement (i.e., frustrated shipments), the Contractor shall submit its recommended resolution to the KO within five (5) calendar days of being notified of the discrepancy. The Contractor shall track PQDR and SDR receipts and resolution and shall include this information in the annual review with the Government. The Contractor shall be responsible for picking up and correcting or replacing any material requiring correction or replacement, and for delivery of conforming goods to the customer.

4.4.1 Quality Metric: Quality performance will be measured by the ratio of orders issued to PQDRs/SDRs issued. The baseline ratio (percentage) is 3%. When the percentage of SDRs grows above 3%, the Government may require a quality improvement plan. If the Contractor is unable to improve quality to reduce the percentage of PQDRs/SDRs to orders, the contract may be terminated under FAR 52.212-4. The Government will also code PQDRs/SDRs as "Government" or "Contractor" fault. The Contractor caused quality issues will be monitored for reimbursement from the Contractor for costs represented in processing/resolving the

PQDRs/SDRs.

5.0 PRODUCTION STATUS REPORT (PSR)

The contractor shall report on the progress of all open delivery orders. The purposes of the PSR are reporting actual deliveries and schedules, identification of problem areas with potential solutions, identification of future plans, and other areas the Contracting Officer deems significant to meeting on-time delivery goals and metrics. The PSR includes, at a minimum, the Delivery Order Report. As applicable, the PSR can also include a Corrective Action Report. The contractor shall provide these reports at no additional cost to the Government.

Delivery Order Report: The contractor shall provide a consolidated report regarding specific delivery order status (schedule data, delays, etc.) if requested by the Contracting Officer. If requested, the contractor shall provide the report within 5 business days.

Corrective Action Report: When a contractor or the Government identifies a problem area, the contractor shall develop a Corrective Action Report. Data required for this Corrective Action Report shall include:

- Finding: A statement of the problem.
- Recommendation: Proposed corrective action.
- Corrective Action: Course adopted to correct the problem.
- Status: Status of activity aimed at correction of the problem to be included in the PSR.

6.0 SYSTEM INTERFACE AND INTERGRATION

The Contractor shall maintain a Management Information System (MIS) for reports, information flow, connectivity with existing and emerging Government information systems, supplier network management, subcontractor management, and Surge & Sustainment requirements, and invoicing.

6.1 DIBBS: Delivery orders will be available through the DLA Internet Bid Board System (DIBBS) which requires that the Contractor possess Internet capability to receive email notification that an order is available on the website, https://www.dibbs.bsm.dla.mil.

6.2 ANSI X12: The American National Standards Institute (ANSI) X12 Standard will be utilized for formatting the Electronic Data Information transactions. Information regarding EDI, ANSI X12 transactions, and Defense Automated Addressing System (DAAS) approved Value Added Networks (VANs) can be obtained from the DAAS web site by going to https://www.daas.dla.mil/daashome/homepage.asp.

6.3 EDI: The specific EDI transactions that will be exchanged between the Contractor and DLA for this effort are:

- EDI 850 Delivery Order
- EDI 997 Functional Acknowledgement of Delivery Order
- EDI 856 Ship Notice/Manifest Transaction Set

Delivery orders will be issued via the 850 EDI transaction. The functional acknowledgement (997 EDI transaction) will constitute the Contractor's receipt of the delivery order. The shipment notice (856 EDI transaction) will constitute the date of shipment.

6.4 Order Processing and Invoicing: Each awardee is required to receive electronic orders, submit electronic invoices, and submit request for payment through Wide Area Work Flow (WAWF). Payments to each awardee shall be made via Electronic Funds Transfer (EFT).