

2. Amendment/Modification No. 0002	3. Effective Date 2003APR01	4. Requisition/Purchase Req No. SEE SCHEDULE	5. Project No. (If applicable)
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6. Issued By Code W52P1J HQ JMC AMSOS-CCM-E PAT LOOTENS (309)782-5936 ROCK ISLAND, IL 61299-6000 BLDG 350 EMAIL: LOOTENSP@OSC.ARMY.MIL	7. Administered By (If other than Item 6) Code
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8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)	<input checked="" type="checkbox"/> SCD <input type="checkbox"/> PAS <input type="checkbox"/> ADP PT	9A. Amendment Of Solicitation No. DAAA09-02-R-0069 9B. Dated (See Item 11) 2003FEB28 10A. Modification Of Contract/Order No. 10B. Dated (See Item 13)
Code	Facility Code	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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

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

12. Accounting And Appropriation Data (If required)

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

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

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

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

SEE SECOND PAGE FOR DESCRIPTION

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

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

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

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Name of Offeror or Contractor:

SECTION A - SUPPLEMENTAL INFORMATION

NSN: 1376-00-628-3333 (ML51)
ITEM: TRINITROTOLUENE (TNT), TYPE I, FLAKE

NSN: 1376-01-479-1067 (ML49)
ITEM: TRINITROTOLUENE (TNT), TYPE III, RECLAIMED

1. THE PURPOSE OF THIS ACTION IS TO AMEND REQUEST FOR PROPOSAL (RFP) NUMBER DAAA09-02-R-0069 AS FOLLOWS:

A. THE CLOSING DATE FOR RECEIPT OF OFFERS AS SPECIFIED AT AMENDMENT 0001, SECTION A, PARAGRAPH 1.A., IS CORRECTED TO REFLECT THE FOLLOWING:

FROM: APRIL 22, 2003

TO: APRIL 21, 2003

SAID CHANGE CORRECTS AN AMBIGUITY IN AMENDMENT 0001 AS TO THE DUE DATE FOR OFFEROR SUBMISSION OF VOLUME I (MANAGEMENT/TECHNICAL PLAN), VOLUME II (COST/PRICE PROPOSAL) AND VOLUME IV (SMALL BUSINESS (SB) UTILIZATION PLAN), THEREBY BRINGING THE DATE SPECIFIED IN SECTION A INTO AGREEMENT WITH THAT DATE ESTABLISHED FOR THE RECEIPT OF OFFERS UNDER AMENDMENT 0001, PAGE 1, AT BLOCK 11.;

B. A REVISED DETAIL SPECIFICATION FOR TNT IS INCORPORATED HEREIN (SEE SECTION J), THEREBY REPLACING THE PREVIOUS DETAIL SPECIFICATION, I.E. ATTACHMENT 002 OF THE INITIAL RFP, WHICH IS DELETED. INCORPORATION OF THIS REVISION DOES NOT ALTER THE TECHNICAL REQUIREMENTS OF THIS SOLICITATION, RATHER, THE REVISED SPECIFICATION MERELY REFLECTS THE MOST RECENT UPDATE OF THE DOCUMENT BY INCORPORATING OUTSTANDING NOTICE OF REVISIONS (NORS);

C. CLAUSE NUMBER I-131 (QUALIFICATION REQUIREMENTS) OF THE INITIAL RFP IS DELETED HEREIN. IN LIEU OF THE REQUIREMENT TO SUBMIT QUALIFICATION SAMPLES FOR RECLAIMED TNT AS REQUIRED UNDER CLAUSE I-131, SUBMITTAL OF A SINGLE FIFTY (50) POUND PROCESS DEMONSTRATION SAMPLE OF RECLAIMED TNT IS REQUIRED - SEE SECTION L, CLAUSE NUMBER L-1 (INSTRUCTIONS AND CONDITIONS FOR SUBMISSION OF PROPOSALS), PARAGRAPH 5.A.(3)(B);

D. THE PERIOD OF TIME SPECIFIED UNDER THE INITIAL RFP AT CLAUSE NUMBER I-132 (FIRST ARTICLE APPROVAL - GOVERNMENT TESTING), PARAGRAPH 4., WITH REGARD TO THE DISPOSITION OF FIRST ARTICLE TEST RESULTS IS REVISED AS FOLLOWS:

FROM: THIRTY (30) DAYS

TO: FORTY-FIVE (45) DAYS

E. CLARIFICATIONS TO TERMS, CONDITIONS AND REQUIREMENTS OF THE INITIAL RFP ARE PROVIDED AS FOLLOWS:

(1) SECTION D/PACKAGING AND MARKING: DRAWING NUMBER 7548645 (PACKAGING) DOES NOT SPECIFY TNT, TYPE III (RECLAIMED) AT PAGE 3. THIS DRAWING SHALL BE APPLICABLE TO ALL TNT TO BE SUPPLIED UNDER THIS CONTRACT ACTION, I.E. TNT, TYPE I AND TNT, TYPE III. THE SOLICITATION'S SECTION D REQUIREMENTS SHALL BE APPLICABLE TO TNT, TYPE III TO BE SUPPLIED TO THE GOVERNMENT; AND

(2) CLAUSE NUMBER L-19/INSTRUCTION AND CONDITIONS FOR SUBMISSION OF PROPOSALS:

(A) PARAGRAPH 2.B.: THE EXECUTIVE SUMMARY AS REFERENCED IN THIS PARAGRAPH IS NOT A PROPOSAL REQUIREMENT FOR SUBMITTAL AND WILL NOT BE EVALUATED. IT CAN BE SUBMITTED TO THE GOVERNMENT AT THE DISCRETION OF THE OFFEROR AT ANYTIME UP UNTIL THE DUE DATE ESTABLISHED FOR SUBMISSION OF VOLUME I (MANAGEMENT/TECHNICAL PLAN), VOLUME II (COST/PRICE PROPOSAL) AND VOLUME IV (SMALL BUSINESS (SB) UTILIZATION PLAN), I.E. APRIL 21, 2003. THE EXECUTIVE SUMMARY WILL NOT COUNT AGAINST THE SPECIFIED PAGE LIMITATION FOR VOLUME I (MANAGEMENT/TECHNICAL PLAN);

(B) PARAGRAPH 2.B.: ANY FOLD-OUT PAGES CONTAINED IN THE OFFEROR'S SUBMISSION SHALL COUNT AS TWO (2) PAGES AGAINST THE LIMITATION SPECIFIED THEREIN FOR THE EXECUTIVE SUMMARY AND MANAGEMENT/TECHNICAL VOLUME (VOLUME I); AND

(C) PARAGRAPH 6.: THE REQUIREMENT FOR SUBMISSION OF SUBCONTRACTOR CONSENT LETTERS AS SPECIFIED THEREIN SHALL BE ACCOMPLISHED CONCURRENT WITH SUBMITTAL OF VOLUME III (PAST PERFORMANCE), WITH A DUE DATE OF APRIL 4, 2003.

2. PURSUANT TO AMENDMENT 0001 OF THE SOLICITATION, A PRE-PROPOSAL CONFERENCE WAS CONDUCTED, MARCH 20, 2003. INFORMATION WITH REGARD TO THE PRE-PROPOSAL CONFERENCE, AS WELL AS OTHER INFORMATION AS IT PERTAINS TO THE TNT COMPETITION, IS AVAILABLE FOR REVIEW AT THE FOLLOWING INTERNET SITE:

- www.osc.army.mil/home/
- BUSINESS & EMPLOYMENT OPPORTUNITIES

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- AAIS (SELLING TO JMC)
- TNT COMPETITION

3. EXCEPT AS PROVIDED HEREIN, THE REMAINING TERMS AND REQUIREMENTS OF THE AFOREMENTIONED SOLICITATION REMAIN UNCHANGED, AND IN FULL FORCE AND EFFECT.

*** END OF NARRATIVE A 003 ***

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SECTION I - CONTRACT CLAUSES

For Local Clauses See: <http://www.osc.army.mil/ac/aais/ioc/clauses/index.htm>

<u>Status</u>	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
I-1 DELETED	52.209-1	QUALIFICATION REQUIREMENTS	FEB/1995
I-2 CHANGED	52.209-4	FIRST ARTICLE APPROVAL -GOVERNMENT TESTING (SEP 89) - ALTERNATE I (JAN 97)	SEP/1989
1. Description (List quantities of assemblies, subassemblies, and components)			
SEE PARAGRAPH 4.2 OF MIL-DTL-248D FOR CONTINUOUS (4.2.1.1) AND BATCH (4.2.1.2) PROCESSES AND CLAUSE NUMBER E-6.			
2. Ship to Address:			
	COMMANDER		
	TACOM-ARDEC		
	AMSTA-AR-WEA		
	DOVER, NJ 07806		
3. Exceptions: NONE			
4. Notification time: FORTY-FIVE (45) DAYS			

(End of Clause)

(IF6004)

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Name of Offeror or Contractor:

SECTION J - LIST OF ATTACHMENTS

<u>List of</u> <u>Addenda</u>	<u>Title</u>	<u>Date</u>	<u>Number</u> <u>of Pages</u>	<u>Transmitted By</u>
Attachment 026	MIL-DTL-248D/DETAIL SPECIFICATION - TRINITROTOLUENE (TNT)	14-MAY-02	025	

Name of Offeror or Contractor:

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L-1 INSTRUCTIONS AND CONDITIONS FOR SUBMISSION OF PROPOSALS

1. SUBMISSIONS OF PROPOSALS:

A. THE PROPOSAL SHALL CONSIST OF THE FOLLOWING:

(1) ONE (1) EXECUTED AND COMPLETED COPY OF THE SOLICITATION, TO INCLUDE ALL REQUISITE REPRESENTATIONS/CERTIFICATIONS AND OTHER INFORMATION TO BE PROVIDED BY THE OFFEROR;

(2) MANAGEMENT/TECHNICAL PLAN VOLUME (TOTAL FIVE (5) COPIES);

(3) COST/PRICE VOLUME (TOTAL FIVE (5) COPIES) AND TWO (2) SINGLE-WRITE CD ROMS THAT ARE COMPATIBLE WITH MICROSOFT WINDOWS OFFICE 1998;

(4) PAST PERFORMANCE VOLUME (TOTAL FIVE (5) COPIES);

(5) SMALL BUSINESS (SB) UTILIZATION PLAN (TOTAL THREE (3) COPIES);

(6) FINANCIAL RESPONSIBILITY INFORMATION (THREE (3) COPIES). FINANCIAL RESPONSIBILITY INFORMATION SHALL ALSO BE INCLUDED AS PART OF THE COST/PRICE VOLUME'S SINGLE-WRITE CD ROM; AND

(7) A CD ROM OR 100MB ZIP DISK THAT IS COMPATIBLE WITH MICROSOFT WINDOWS OFFICE 1998 AND THAT CONTAINS THE OFFEROR'S COMPLETE PROPOSAL IN AN ELECTRONIC FORMAT.

B. THE COMPLETE PROPOSAL, INCLUDING ALL COPIES OF THE MANAGEMENT/TECHNICAL PLAN, COST/PRICE VOLUME, PAST PERFORMANCE VOLUME, SMALL BUSINESS (SB) UTILIZATION PLAN AND FINANCIAL RESPONSIBILITY INFORMATION, ALONG WITH AN EXECUTED COPY OF THIS SOLICITATION, SHALL BE FORWARDED TO THE FOLLOWING ADDRESS:

HQ, US ARMY JOINT MUNITIONS COMMAND
AMMUNITION & INSTALLATION CONTRACTING DIVISION
AMSJM-CCA-R/MR. SEAN O'REILLY
1 ROCK ISLAND ARSENAL
ROCK ISLAND, IL 61299-6000

2. PREPARATION INSTRUCTIONS FOR THE MANAGEMENT/TECHNICAL PLAN, COST/PRICE VOLUME, PAST PERFORMANCE VOLUME, SMALL BUSINESS (SB) UTILIZATION PLAN AND FINANCIAL RESPONSIBILITY INFORMATION:

A. FORMAT: THE OFFEROR'S MANAGEMENT/TECHNICAL PLAN, COST/PRICE VOLUME, PAST PERFORMANCE VOLUME, SMALL BUSINESS (SB) UTILIZATION PLAN AND FINANCIAL RESPONSIBILITY INFORMATION SHALL BE SUBMITTED IN SEVERABLE PARTS. INFORMATION THE OFFEROR MAY WANT THE GOVERNMENT TO CONSIDER, SPECIFIC TO EACH VOLUME, SHALL BE CONFINED TO THAT VOLUME. OFFERORS ARE CAUTIONED THAT FAILURE TO INCLUDE THE REQUESTED INFORMATION IN THE APPLICABLE VOLUME MAY RESULT IN THE INFORMATION NOT BEING CONSIDERED AND THE PROPOSAL BEING DOWNGRADED ACCORDINGLY. EACH VOLUME SHALL BE TREATED INDEPENDENTLY.

VOLUME I	MANAGEMENT/TECHNICAL PLAN
VOLUME II	COST/PRICE
VOLUME III	PAST PERFORMANCE
VOLUME IV	SMALL BUSINESS (SB) UTILIZATION PLAN
VOLUME V	FINANCIAL RESPONSIBILITY INFORMATION

B. EACH VOLUME SHALL BE CONSISTENT WITH COMPLETE SUBMISSION. OFFERORS ARE CAUTIONED THAT INCORPORATION OF INFORMATION BY REFERENCE IS NOT ALLOWED. INCLUSION OF A FIVE (5) PAGE EXECUTIVE SUMMARY OF THE OFFEROR'S PROPOSAL SHALL BE AUTHORIZED; THIS SUMMARY SHALL NOT COUNT AGAINST THE PAGE NUMBER LIMITATION DESCRIBED BELOW. FOR VOLUME I (MANAGEMENT/TECHNICAL PLAN), THE OFFEROR'S SUBMISSION SHALL BE LIMITED TO ONE HUNDRED (100) PAGES IN TOTAL. PAGE SIZE SHALL NOT EXCEED 8 1/2 X 11 INCHES, WITH USE OF FOLD-OUT PAGES AUTHORIZED. OFFERORS ARE RESPONSIBLE FOR INCLUDING SUFFICIENT DETAILS TO PERMIT A COMPLETE AND ACCURATE EVALUATION OF THE PROPOSAL. THE GOVERNMENT WILL NOT MAKE ANY ASSUMPTION(S) CONCERNING THE OFFEROR'S INTENT, CAPABILITIES, EXPERIENCE, ETC.

3. SPECIFIC INSTRUCTIONS BY VOLUME: IN ORDER FOR THE OFFEROR'S PROPOSAL TO BE ACCEPTABLE, IT MUST REFLECT A COMPLETE UNDERSTANDING OF THE SOLICITATION AND DEMONSTRATE THE CAPABILITY TO PERFORM THE OVERALL EFFORT IN ACCORDANCE WITH THE SOLICITATION. AN INDEX SHALL BE INCLUDED IN EACH VOLUME WITH NARRATIVE TITLE CROSS-REFERENCED TO THE APPLICABLE PARAGRAPHS OF THIS SECTION. DISCUSSIONS TEXT SHALL BE IDENTIFIED BY THE SAME TITLE. THE OFFEROR SHALL SUBMIT A MANAGEMENT/TECHNICAL PLAN, COST/PRICE VOLUME, PAST PERFORMANCE VOLUME, SMALL BUSINESS (SB) UTILIZATION PLAN

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AND FINANCIAL RESPONSIBILITY INFORMATION ADDRESSING THE FOLLOWING ELEMENTS:

A. FACTOR: MANAGEMENT/TECHNICAL PLAN: RATINGS WILL BE APPLIED TO THE MANAGEMENT/TECHNICAL PLAN AS SUBMITTED TO DETERMINE THE OFFEROR'S ABILITY TO MEET THE GOVERNMENT'S REQUIREMENT FOR TRINITROTOLUENE (TNT), TO BE MEASURED UNDER THE FOLLOWING SUBFACTORS AND ELEMENTS THEREIN:

(1) SUBFACTOR: PROGRAM MANAGEMENT PLAN;

(2) SUBFACTOR: VIRGIN TNT FROM A NATIONAL TECHNOLOGY AND INDUSTRIAL BASE (NTIB) FACILITY:

(A) ELEMENT: OVERALL PLAN FOR ESTABLISHING FACILITY;

(B) ELEMENT: PROCESS TO BE EMPLOYED; AND

(C) ELEMENT: PROCESS QUALITY CONTROL.

(3) SUBFACTOR: RECLAIMED TNT:

(A) ELEMENT: OVERALL RECLAMATION PLAN;

(B) ELEMENT: PROCESS TO BE EMPLOYED; AND

(C) ELEMENT: PROCESS QUALITY CONTROL.

(4) SUBFACTOR: VIRGIN TNT FROM A FOREIGN SOURCE.

B. FACTOR: COST/PRICE:

(1) WITH RESPECT TO PRICING, THE PROPOSAL RESPONSE IS PRESUMED TO REPRESENT THE OFFEROR'S BEST EFFORT TO RESPOND TO THE SOLICITATION. ANY INCONSISTENCY, WHETHER REAL OR APPARENT, BETWEEN PROMISED PERFORMANCE AND PRICE SHALL BE EXPLAINED IN THE PROPOSAL. FOR EXAMPLE, IF THE USE OF NEW AND INNOVATIVE TECHNIQUES ARE INTENDED, THEIR IMPACT UPON PRICE SHALL BE EXPLAINED. IF A BUSINESS POLICY DECISION HAS BEEN MADE TO ABSORB A PORTION OF THE PROGRAM COSTS THAT HAVE NOT BEEN INCLUDED IN YOUR PROPOSED PRICING, THAT DECISION SHALL BE STATED AND QUANTIFIED IN THE PROPOSAL. ANY SIGNIFICANT INCONSISTENCY, IF UNEXPLAINED, RAISES A FUNDAMENTAL ISSUE OF THE OFFEROR'S UNDERSTANDING OF THE NATURE AND SCOPE OF THE WORK REQUIRED, AND MAY BE GROUNDS FOR REJECTION OF THE PROPOSAL. THE BURDEN OF PROOF AS TO PRICE CREDIBILITY RESTS WITH THE OFFEROR; AND

(2) ALL PRICES AND EXPENDITURE PROFILES FOR THIS ACQUISITION SHALL BE STATED IN CURRENT DOLLARS (CURRENT DOLLARS SHOULD BE INTERPRETED TO INCLUDE ESCALATION WHERE APPROPRIATE.).

C. FACTOR: PAST PERFORMANCE: RATINGS WILL BE APPLIED TO THE FOLLOWING SUBFACTORS OF PAST PERFORMANCE BASED UPON THE INFORMATION AS SUBMITTED BY EACH OFFEROR:

(1) SUBFACTOR: ON-TIME DELIVERY;

(2) SUBFACTOR: QUALITY; AND

(3) SUBFACTOR: CUSTOMER SATISFACTION.

D. FACTOR: SMALL BUSINESS (SB) UTILIZATION PLAN: A RATING WILL BE ASSIGNED TO EACH OFFEROR'S (SB, LARGE BUSINESS AND FOREIGN) PROPOSAL. THIS RATING CONSIDERS BOTH THE SUBFACTOR OF PROPOSED SB UTILIZATION AND THE SUBFACTOR OF THE LIKELIHOOD OF ATTAINING THAT PARTICIPATION BASED ON THE OFFEROR'S SB UTILIZATION PAST PERFORMANCE. OFFERORS THAT HAVE (1) NO EXPERIENCE OVER THE PAST THREE (3) YEARS USING SBs AND/OR HISTORICALLY BLACK COLLEGES, UNIVERSITIES AND MINORITY INSTITUTIONS (HBCU/MIs); AND/OR (2) NO CONTRACTUAL PERFORMANCE OVER THE PAST THREE (3) YEARS WHICH REQUIRED COMPLIANCE WITH FAR 52.219-8 OR FAR 52.219-9, WILL BE TREATED NEITHER FAVORABLY NOR UNFAVORABLY; AND

E. FINANCIAL RESPONSIBILITY INFORMATION: THE COST/PRICE PROPOSAL SHALL INCLUDE INFORMATION THAT ADDRESSES FINANCIAL CAPABILITY (WRITTEN FINANCIAL DATA ONLY). THE CONTRACTOR SHALL PROVIDE, FOR ITSELF AND ITS MAJOR SUBCONTRACTORS, FINANCIAL INFORMATION SUFFICIENT TO ALLOW THE GOVERNMENT TO MAKE A DETERMINATION AS TO THE COMPANY'S FINANCIAL CONDITION.

4. BASIS FOR AWARD:

A. A BEST VALUE, COMPETITIVE, FIRM FIXED-PRICE (FFP) CONTRACT IS CONTEMPLATED FOR AWARD. THE SOLICITATION IS

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RESTRICTED TO UNITED STATES AND CANADIAN SOURCES. HOWEVER, THIS DOES NOT PRECLUDE FOREIGN CONCERNS FROM SUBMITTING A PROPOSAL, PROVIDED, THAT THEY WILL ESTABLISH, MAINTAIN AND OPERATE A VIRGIN TNT PRODUCTION FACILITY IN THE NTIB (UNITED STATES AND CANADA);

B. AWARD WILL BE MADE TO THE RESPONSIVE, RESPONSIBLE OFFEROR WHOSE MANAGEMENT/TECHNICAL PLAN, COST/PRICE PROPOSAL, PAST PERFORMANCE INFORMATION AND SMALL BUSINESS UTILIZATION PLAN PROVIDES THE BEST VALUE TO THE GOVERNMENT; AND

C. FOR THE PURPOSE OF THIS ACQUISITION, "OFFEROR" IS DEFINED AS A PRIME CONTRACTOR, SUBCONTRACTORS, JOINT VENTURES, LIMITED LIABILITY COMPANIES (LLCs) AND OTHER SIMILAR ENTITIES. FOR PURPOSES OF THIS EVALUATION, A MAJOR SUBCONTRACTOR SHALL BE DEFINED AS RECEIVING SUBCONTRACTS IN EXCESS OF \$550,000.00 OVER A SINGLE PROGRAM YEAR, ANY YEAR, FOR EITHER OF THE ACQUISITION APPROACHES, I.E. MULTI-YEAR OR MULTIPLE YEAR.

5. INFORMATION TO BE SUBMITTED BY OFFERORS:

A. FACTOR: MANAGEMENT/TECHNICAL PLAN: DESCRIBE THE OVERALL PLAN FOR MEETING THE KEY OBJECTIVES OF THIS SOLICITATION, TO BE DESCRIBED UNDER THE FOLLOWING SUBFACTORS:

(1) SUBFACTOR: PROGRAM MANAGEMENT PLAN: PROVIDE A FIVE (5) YEAR MASTER SCHEDULE THAT DETAILS, BY MONTH, THE METHOD FOR SUPPLYING TNT, WITH SOURCES OF SUPPLY TO BE IDENTIFIED; EACH OF THE PROPOSED QUANTITY RANGES SHALL BE ADDRESSED. INCLUDE INFORMATION ABOUT THE PROPOSED SOURCE(S) OF SUPPLY, I.E. THE COMPANY, AND KEY MANAGEMENT PERSONNEL. DESCRIBE YOUR RISK MANAGEMENT APPROACH TO IDENTIFY AND MITIGATE POTENTIAL RISKS ASSOCIATED WITH THE MANAGEMENT/TECHNICAL FACTOR, E.G. LONG-LEADTIME ITEMS, SINGLE SOURCES, ETC.

(2) SUBFACTOR: VIRGIN TNT FROM AN NTIB FACILITY:

(A) ELEMENT: OVERALL PLAN FOR ESTABLISHING FACILITY: STATE THE LOCATION OF THE FACILITIES INVOLVED, TO INCLUDE ALL CONTRACT AND SUBCONTRACT SOURCES; DEPICT THE SCHEDULE OF ACTIVITIES (BY MONTH) FROM CONTRACT AWARD DATE TO PRODUCT DELIVERY. THIS SHOULD DESCRIBE THE INTEGRATION OF ALL DIVERSE TASKS AND MILESTONES TO INCLUDE A CRITICAL PATH ANALYSIS THAT MUST BE SUCCESSFULLY COMPLETED ALONG WITH OTHER REQUISITE SOURCES; IDENTIFY THE REQUIRED PERMITS. DESCRIBE PLAN TO OBTAIN ALL REGULATORY (LOCAL, STATE AND FEDERAL) REQUIRED DOCUMENTS (PERMITS, LICENSES, ETC.) NECESSARY TO OPERATE AND PRODUCE TNT; FLEXIBILITY OF THE PROPOSED FACILITY TO PRODUCE OTHER ENERGETIC MATERIALS; AND DETAIL YOUR AND YOUR SUBCONTRACTOR'S EXPERIENCE TO PRODUCE VIRGIN ENERGETICS, PARTICULARLY TNT;

(B) ELEMENT: PROCESS TO BE EMPLOYED: THE OFFEROR SHALL INCLUDE DETAILS WITH RESPECT AS TO HOW SAID FACILITY WILL BE OPERATIONAL WITHIN THIRTY-SIX (36) MONTHS AFTER CONTRACT AWARD; DESCRIBE FROM CRADLE TO GRAVE, THE PROCESS THAT WILL BE USED TO MANUFACTURE VIRGIN TNT, E.G. CONTINUOUS, BATCH, COUNTER-FLOW, TO INCLUDE PRECURSORS, E.G. MNT, DNT, ETC.; IDENTIFY FACILITIES AND EQUIPMENT; IDENTIFY CRITICAL SKILLS: HIRING/RETENTION/REPLACEMENT; MAINTENANCE PROGRAM; LINE CAPACITY; DESCRIBE THE ITEMS/CHARACTERISTICS THAT ARE CONSIDERED CRITICAL TO SAFETY AND THE MEASURES TO BE EMPLOYED THAT WILL MITIGATE/ELIMINATE THE HAZARDS; SECURITY ATTRIBUTES; RAW MATERIAL SOURCES, I.E. IN-HOUSE MANUFACTURE, VENDOR RELATIONSHIPS, RELIABILITY, CAPACITY, ETC., LONG-LEADTIME AND SINGLE SOURCE ITEMS; AND WASTE HANDLING TREATMENT, E.G. REMOVAL OFF-SITE, ON-SITE TREATMENT; AND

(C) ELEMENT: PROCESS QUALITY CONTROL: DESCRIBE PLAN TO PROVIDE CONSISTENT TNT QUALITY MEETING THE REQUIREMENTS OF MIL-DTD-248D; DESCRIBE APPROACH TO REDUCE AND/OR MITIGATE ANY NON-COMPLIANT LOTS; IDENTIFY QUALITY CERTIFICATIONS, SAMPLING PROCEDURES, INSPECTION AND TESTING EQUIPMENT/TECHNIQUES TO BE EMPLOYED. IDENTIFY APPLICABLE DATES AND AUTHORITIES; AND IDENTIFY PROCESS SAFETY ATTRIBUTES TO PROTECT PEOPLE AND EQUIPMENT IN ORDER TO MAINTAIN PROCESS INTEGRITY.

(3) SUBFACTOR: RECLAIMED TNT:

(A) ELEMENT: OVERALL RECLAMATION PLAN: STATE THE LOCATION OF THE FACILITIES INVOLVED, TO INCLUDE ALL CONTRACT AND SUBCONTRACT SOURCES; DEPICT THE SCHEDULE OF ACTIVITIES (BY MONTH) FROM CONTRACT AWARD DATE TO PRODUCT DELIVERY. THIS SHOULD DESCRIBE THE INTEGRATION OF ALL DIVERSE TASKS AND MILESTONES TO INCLUDE A CRITICAL PATH ANALYSIS THAT MUST BE SUCCESSFULLY COMPLETED ALONG WITH OTHER REQUISITE SOURCES; IDENTIFY THE REQUIRED PERMITS. DESCRIBE PLAN TO OBTAIN ALL REGULATORY (LOCAL, STATE AND FEDERAL) REQUIRED DOCUMENTS (PERMITS, LICENSES, ETC.) NECESSARY TO OPERATE AND SUPPLY RECLAIMED TNT; AND DETAIL RECLAMATION EXPERIENCE OF THE OFFEROR AND ITS SUBCONTRACTORS;

(B) ELEMENT: PROCESS TO BE EMPLOYED: THE OFFEROR SHALL INCLUDE DETAILS WITH RESPECT AS TO WHEN THE FACILITY WILL BE OPERATIONAL; DESCRIBE FROM CRADLE TO GRAVE, THE PROPOSED PROCESS TO BE EMPLOYED TO EXTRACT TNT FROM THE SOURCE MATERIAL; IDENTIFY FACILITIES AND EQUIPMENT; IDENTIFY CRITICAL SKILLS: HIRING/RETENTION/REPLACEMENT; MAINTENANCE PROGRAM; LINE CAPACITY; DESCRIBE THE ITEMS/CHARACTERISTICS THAT ARE CONSIDERED CRITICAL TO SAFETY AND THE MEASURES TO BE EMPLOYED THAT WILL MITIGATE/ELIMINATE THE HAZARDS; SECURITY ATTRIBUTES; IDENTIFY THE PROPOSED TYPE OF GOVERNMENT-FURNISHED MATERIAL (GFM) TO BE USED; AND WASTE HANDLING TREATMENT, E.G. REMOVAL OFF-SITE, ON-SITE

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TREATMENT. THE OFFEROR SHALL SUBMIT ONE (1) FIFTY (50) POUND SAMPLE OF RECLAIMED TNT THAT ORIGINATES FROM THEIR PROPOSED RECLAMATION PROCESS, WITH SUBMISSION OF THIS PROCESS DEMONSTRATION SAMPLE TO BE ACCOMPLISHED PRIOR TO, OR CONCURRENT WITH, SUBMISSION OF THE MANAGEMENT/TECHNICAL VOLUME, I.E. APRIL 21, 2003. SUBMITTAL OF THE ONE (1) FIFTY (50) POUND PROCESS DEMONSTRATION SAMPLE SHALL BE COORDINATED WITH THE FOLLOWING OFFICE:

US ARMY TANK-AUTOMOTIVE AND ARMAMENT COMMAND(TACOM)
ARMAMENT RESEARCH DEVELOPMENT & ENGINEERING CENTER (ARDEC)
PICATINNY ARSENAL, NJ 07806-5000
ATTN; MR RAFAEL ACEVEDO/AMSTA-AR-WEA/EMCN# A24/TEL 973.724.4391

(C) ELEMENT: PROCESS QUALITY CONTROL: DESCRIBE PLAN TO PROVIDE CONSISTENT TNT QUALITY MEETING THE REQUIREMENTS OF MIL-DTD-248D; DESCRIBE APPROACH TO REDUCE AND/OR MITIGATE ANY NON-COMPLIANT LOTS; IDENTIFY QUALITY CERTIFICATIONS, SAMPLING PROCEDURES, INSPECTION AND TESTING EQUIPMENT/TECHNIQUES TO BE EMPLOYED. IDENTIFY APPLICABLE DATES AND AUTHORITIES; AND IDENTIFY PROCESS SAFETY ATTRIBUTES TO PROTECT PEOPLE AND EQUIPMENT IN ORDER TO MAINTAIN PROCESS INTEGRITY.

(4) SUBFACTOR: VIRGIN TNT FROM A FOREIGN SOURCE: STATE THE LOCATION OF THE FACILITIES INVOLVED, TO INCLUDE ALL CONTRACT AND SUBCONTRACT SOURCES; DEPICT THE SCHEDULE OF ACTIVITIES (BY MONTH) FROM CONTRACT AWARD DATE TO PRODUCT DELIVERY. THIS SHOULD DESCRIBE THE INTEGRATION OF ALL DIVERSE TASKS AND MILESTONES TO INCLUDE A CRITICAL PATH ANALYSIS THAT MUST BE SUCCESSFULLY COMPLETED ALONG WITH OTHER REQUISITE SOURCES; REQUIRED LICENSING/REGULATORY DOCUMENTS NEEDED TO PURCHASE AND TRANSPORT FROM A FOREIGN SOURCE; PROVIDE INFORMATION RELATIVE TO PROCESS QUALITY CONTROL, TO INCLUDE PLAN TO PROVIDE CONSISTENT TNT QUALITY THAT SATISFIES THE REQUIREMENTS OF MIL-DTD-248D AND IDENTIFICATION OF QUALITY CERTIFICATIONS, SAMPLING PROCEDURES, INSPECTION AND TESTING EQUIPMENT/TECHNIQUES TO BE EMPLOYED;

B. FACTOR: COST/PRICE:

(1) COMPLETE AND SUBMIT UNIT PRICES IN ACCORDANCE WITH SECTION B OF THE SOLICITATION; AND

(2) COMPLETE THE PRICING MODEL, I.E. TNT PRICING TEMPLATES, AS PROVIDED AT ATTACHMENT 022 OF THE SOLICITATION (SEE SECTION J) AND INCLUDE AS A PART OF THE COST/PRICE VOLUME. INSTRUCTIONS FOR THE COMPLETION OF THE TNT PRICING MODEL ARE SPECIFIED AT ATTACHMENT 023 OF THE SOLICITATION (SEE SECTION J). THIS INFORMATION SHALL BE USED FOR BOTH PROGRAM AND EVALUATION PURPOSES. IN THE EVENT THAT DISCREPANCIES EXIST BETWEEN THE SPREADSHEET MODEL AND THE HARD COPY PROPOSAL, THE SPREADSHEET MODEL SHALL TAKE PRECEDENCE.

NOTE:

FOR MULTI-YEAR PRICING, PROPOSED PRICES INCLUDED IN "TNT PRICING TEMPLATE", TAB "MULTI-YEAR", LINE LABELED "PRICING STRUCTURE": "LEVEL PRICING SUMMARY (CONTRACT UNIT PRICE)", SHALL CORRESPOND WITH THOSE PRICES AS PROPOSED IN SECTION B OF THE SOLICITATION.

FOR MULTIPLE YEAR PRICING, PROPOSED PRICES INCLUDED IN "TNT PRICING TEMPLATE", TAB "MULTIPLE YEAR", LINE LABELED "PRICING STRUCTURE": "COMPOSITE PRICE PER LB (CONTRACT UNIT PRICE & UPPER RANGE LIMITS)", SHALL CORRESPOND WITH THOSE PRICES AS PROPOSED IN SECTION B OF THE SOLICITATION.

C. FACTOR: PAST PERFORMANCE:

(1) THE GOVERNMENT WILL CONDUCT A PERFORMANCE EVALUATION BASED UPON THE PAST PERFORMANCE OF THE OFFERORS AND THEIR PROPOSED SUBCONTRACTORS AS IT RELATES TO THE PROBABILITY OF SUCCESSFUL ACCOMPLISHMENT OF THE WORK REQUIRED BY THE SOLICITATION. THE OFFEROR AND THEIR PROPOSED SUBCONTRACTORS SHALL SUBMIT A DESCRIPTION OF THEIR PREVIOUS GOVERNMENT (FEDERAL, STATE AND LOCAL) CONTRACTS (ALL PRIME AND MAJOR SUBCONTRACTS) RECEIVED, OR IN PERFORMANCE, DURING THE MOST RECENT PERIOD, WHICH ARE IN ANY WAY RELEVANT TO THE EFFORT REQUIRED BY THIS SOLICITATION. FOR PURPOSES OF THIS EVALUATION, "RECENT" SHALL BE DEFINED AS OCCURRING WITHIN THE LAST THREE (3) YEARS PRIOR TO THE SOLICITATION'S INITIAL CLOSING DATE, AND THAT TIME THAT TRANSPIRES BETWEEN THE SOLICITATION'S INITIAL CLOSING DATE AND THE DATE OF AWARD.

FOR PURPOSES OF THIS EVALUATION, "RELEVANT" SHALL BE DEFINED AS HAVING PRODUCED/SUPPLIED THE SAME OR SIMILAR ITEMS WITHIN FEDERAL SUPPLY CLASS (FSC) 1376, REQUIRING THE SAME OR SIMILAR MANUFACTURING PROCESSES, SKILLS AND ABILITIES; COMMERCIAL CONTRACTS MAY BE INCLUDED, IF NECESSARY. THE DESCRIPTION TO BE PROVIDED SHALL INCLUDE THE FOLLOWING INFORMATION:

(A) CONTRACT NUMBER(S);

(B) THE OFFEROR IS RESPONSIBLE FOR PROVIDING ACCURATE NAMES AND PHONE/FAX NUMBERS OF TWO (2) POINTS OF CONTACT (CONTRACTING OFFICER/TECHNICAL POINT OF CONTACT) AT THE FEDERAL, STATE, LOCAL GOVERNMENT OR COMMERCIAL ENTITY FOR WHICH THE CONTRACT/EFFORT WAS PERFORMED. IT IS IMPERATIVE THAT THE OFFEROR PROVIDE ACCURATE AND UP-TO-DATE REFERENCES - FAILURE TO DO SO MAY RESULT IN A NEUTRAL RATING;

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(C) PERIOD OF PERFORMANCE;

(D) DOLLAR VALUE OF THE CONTRACT;

(E) DETAILED DESCRIPTION OF THE WORK PERFORMED;

(F) NAMES OF SUBCONTRACTOR(S) USED, IF ANY, AND A DESCRIPTION OF THE EXTENT OF WORK PERFORMED BY THE SUBCONTRACTOR(S); AND

(G) THE NUMBER, TYPE AND SEVERITY OF ANY QUALITY, DELIVERY OR COST PROBLEMS IN PERFORMING THE CONTRACT, THE CORRECTIVE ACTION TAKEN AND THE EFFECTIVENESS OF THE CORRECTIVE ACTION.

(2) THE GOVERNMENT SHALL ASSESS RISKS ASSOCIATED WITH OFFEROR'S PAST PERFORMANCE IN THE FOLLOWING AREAS:

(A) SUBFACTOR: ON-TIME DELIVERY: THE OFFEROR WILL BE RATED BASED UPON ITS RECORD OF ON-TIME DELIVERY. INFORMATION TO BE PROVIDED BY THE OFFEROR WITH REGARD TO ITS RECENT, RELEVANT CONTRACTS WILL BE EVALUATED. THE OFFEROR MUST IDENTIFY AND PROVIDE INFORMATION ON DELIVERIES MADE, DELIVERIES SCHEDULED TO BE MADE, AND DELIVERIES RE-SCHEDULED TO BE MADE, DURING THE PERIOD OF RECENT PAST PERFORMANCE. PROVIDE ALL SUPPORTING DATA FOR VERIFICATION PURPOSES CONCERNING ALL OF THE FOREGOING-MENTIONED DELIVERIES EVEN THOUGH THE SUPPORTING INFORMATION MAY PRECEDE THE STATED PERIOD OF RECENT PAST PERFORMANCE;

(B) SUBFACTOR: QUALITY: THE OFFEROR WILL BE RATED BASED UPON ITS RECORD OF QUALITY ASSURANCE. INFORMATION TO BE PROVIDED BY THE OFFEROR WITH REGARD TO ITS RECENT, RELEVANT CONTRACTS WILL BE EVALUATED. EVIDENCE OF QUALITY AWARDS AND/OR QUALITY CERTIFICATIONS PRESENTED TO THE OFFEROR CAN BE SUBMITTED FOR CONSIDERATION. IN THE EVENT THAT INDICATION OF ANY QUALITY PROBLEMS ARE FOUND, THE OFFEROR'S PROCESS TO IMPROVE PRODUCT QUALITY WILL BE EVALUATED. THE OFFEROR WILL BE REQUIRED TO SUBMIT DATA EXPLAINING CORRECTIVE ACTION(S) IT HAS TAKEN TO IMPROVE ITS PROCESS AND/OR RESOLVE QUALITY PROBLEMS. THE OFFEROR WILL BE REQUIRED TO DISCLOSE INFORMATION ABOUT REQUEST FOR WAIVERS (RFws), REQUEST FOR DEVIATIONS (RFDs), QUALITY DEFICIENCY REPORTS (QDRs), FIRST ARTICLE TEST (FAT) FAILURES, LOT ACCEPTANCE TEST (LAT) FAILURES, AND/OR OTHER PRODUCT QUALITY OF QUALITY PROGRAM-RELATED PROBLEMS. THE OFFEROR'S SUBMISSION MUST BE CLEAR AND CONCISE WHEN DESCRIBING ANY DEFICIENCY, STATING THE CORRECTIVE ACTION AND WHEN IT WAS IMPLEMENTED. THE GOVERNMENT WILL EVALUATE ALL QUALITY ISSUES IT DISCOVERS DURING THE PERIOD OF "RECENT PAST PERFORMANCE", REGARDLESS OF WHEN ACTUAL DELIVERY WAS MADE; AND

(C) SUBFACTOR: CUSTOMER SATISFACTION.

(3) EACH PERFORMANCE RISK ASSESSMENT OF THE AREAS LISTED ABOVE WILL CONSIDER THE NUMBER AND SEVERITY OF PROBLEMS, THE EFFECTIVENESS OF CORRECTIVE ACTIONS TAKEN AND THE OVERALL WORK RECORD. THE ASSESSMENT OF PERFORMANCE RISK IS NOT INTENDED TO BE THE PRODUCT OF A MECHANICAL OR MATHEMATICAL ANALYSIS OF AN OFFEROR'S PERFORMANCE ON A LIST OF CONTRACTS, BUT RATHER, THE PRODUCT OF SUBJECTIVE JUDGMENT OF THE EVALUATORS AFTER CONSIDERING ALL AVAILABLE, RELEVANT AND RECENT INFORMATION;

(4) THE GOVERNMENT WILL OBTAIN WHATEVER INFORMATION IT DEEMS MOST RELEVANT TO THE REQUIRED EFFORT BY TELEPHONIC AND/OR WRITTEN INQUIRY. THE GOVERNMENT INTENDS TO FORWARD A PERFORMANCE RISK QUESTIONNAIRE TO THOSE GOVERNMENT AND COMMERCIAL ACTIVITIES PROVIDED BY THE OFFEROR IN THEIR PROPOSAL; AND

(5) ANY OFFEROR THAT DOES NOT HAVE A RECORD OF RECENT, RELEVANT PAST PERFORMANCE WILL BE ASSIGNED A NEUTRAL PERFORMANCE RISK RATING. AN OFFEROR WITHOUT A RECORD OF RECENT, RELEVANT PAST PERFORMANCE OR FOR WHOM INFORMATION ON PAST PERFORMANCE IS NOT AVAILABLE, WILL NOT BE EVALUATED FAVORABLY OR UNFAVORABLY ON PAST PERFORMANCE.

D. FACTOR: SMALL BUSINESS (SB) UTILIZATION PLAN:

(1) ALL OFFERORS (SB, LARGE BUSINESS AND FOREIGN) ARE REQUIRED TO IDENTIFY THE EXTENT TO WHICH:

(A) SMALL BUSINESSES (SBs), VETERAN-OWNED SMALL BUSINESS (VOSB), SERVICE DISABLED VETERAN-OWNED SMALL BUSINESS (SDVOSB), SMALL DISADVANTAGED BUSINESS (SDB), WOMAN-OWNED SMALL BUSINESSES (WOSBs), HISTORICALLY UNDERUTILIZED BUSINESS ZONE (HUBZONE) SMALL BUSINESSES, HEREINAFTER ALL REFERRED TO AS SBs, WILL BE UTILIZED IN THE PERFORMANCE OF THE PROPOSED CONTRACT; AND

(B) HISTORICALLY BLACK COLLEGES, UNIVERSITIES AND MINORITY INSTITUTIONS (HBCU/MIs) WILL BE UTILIZED IN THE PERFORMANCE OF THE PROPOSED CONTRACT.

(2) FOR SBs, AS IDENTIFIED BY THE SIZE STANDARD FOR THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE APPLICABLE TO THIS SOLICITATION, THE OFFEROR'S OWN PARTICIPATION AS A SB OR HBCU/MI IS TO BE IDENTIFIED AND WILL BE CONSIDERED IN EVALUATING SMALL BUSINESS UTILIZATION:

(A) SUBFACTOR: PROPOSED SB UTILIZATION:

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Name of Offeror or Contractor:

(i) THE OFFEROR IS TO PROVIDE NAMES, PRODUCTS/SERVICES AND ESTIMATED DOLLAR VALUE AND TYPE OF SB AND HBCU/MIs WHO WOULD PARTICIPATE IN THE PROPOSED CONTRACT IN THE FORMAT BELOW:

<u>SB TYPE</u>	<u>ESTIMATED \$ VALUE</u>	<u>PRODUCT/SERVICE</u>	<u>COMPANY NAME</u>
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TOTAL SB \$

(ii) LARGE BUSINESS AND FOREIGN OFFERORS, WHERE FAR 52.219.9 APPLIES, SHALL IDENTIFY THE TOTAL SUBCONTRACTING DOLLARS.

(B) SUBFACTOR: SMALL BUSINESS (SB) UTILIZATION PAST PERFORMANCE:

(i) ALL OFFERORS ARE TO PROVIDE A DETAILED DESCRIPTION OF THEIR METHODS USED TO PROMOTE AND UTILIZE SB OVER THE PAST THREE (3) YEARS AS PRESCRIBED BY FAR 52.219-8, INCLUDING:

(a) A DESCRIPTION AND AVAILABLE DOCUMENTATION OF THE METHODS EMPLOYED TO PROMOTE SB UTILIZATION; AND

(b) A DESCRIPTION OF THE INTERNAL METHODS USED TO MONITOR SMALL BUSINESS UTILIZATION.

(ii) LARGE BUSINESS AND FOREIGN OFFERORS SHALL DOCUMENT THEIR PERFORMANCE OVER THE PAST THREE (3) YEARS FOR SIMILAR WORK, AS PRESCRIBED BY FAR 52.219-9 "SMALL BUSINESS SUBCONTRACTING PLAN". THIS DOCUMENTATION SHALL INCLUDE THEIR ACTUAL PERFORMANCE IN UTILIZING SB AND HBCU/MI SUBCONTRACTING GOALS. THE DOCUMENTATION SHALL INCLUDE THE FINAL OR MOST RECENT STANDARD FORM (SF) 294 FOR EACH RELEVANT CONTRACT. IF THE LARGE BUSINESS PROPOSES SUBSTANTIALLY DIFFERENT SMALL BUSINESS UTILIZATION THAN EXPERIENCED ON SIMILAR WORK IN THE PAST, THEY MUST EXPLAIN HOW THEY WILL ACCOMPLISH THAT HIGHER/LOWER PROPOSED LEVEL. LARGE BUSINESS AND FOREIGN OFFERORS THAT HAVE NOT HAD A CONTRACT IN THE PAST THREE (3) YEARS INCORPORATING FAR CLAUSE 52.219-9, SHALL SO STATE.

E. FINANCIAL RESPONSIBILITY INFORMATION: THE FOLLOWING LIST OF INFORMATION TO BE SUBMITTED BY THE OFFEROR IS TO BE USED AS A GUIDELINE, HOWEVER, DEVIATION FROM THE FORMAT SPECIFIED BELOW WILL NOT BE CONSIDERED GROUNDS FOR DISQUALIFICATION FROM THE COMPETITION SO LONG AS THE INFORMATION PROVIDED CONSTITUTES A REASONABLE SUBSTITUTE:

(1) THE MOST RECENT THREE (3) YEARS OF FINANCIAL STATEMENTS (PREFERABLY AUDITED) OF SF 1407. NOTE THAT THE SUBMISSION OF UNAUDITED FINANCIAL STATEMENTS WILL DELAY THE EVALUATION PROCESS. THE GOVERNMENT WILL AUDIT ALL UNAUDITED FINANCIAL STATEMENTS:

(A) FINANCIAL STATEMENTS SHOULD INCLUDE, AT A MINIMUM, THE FOLLOWING FOR EACH COMPANY:

BALANCE SHEET;
INCOME STATEMENT;
STATEMENT OF CASH FLOWS;
FOOTNOTES TO THE FINANCIAL STATEMENTS; AND
COPY OF THE CERTIFIED PUBLIC ACCOUNTANT'S OPINION REGARDING THE FINANCIAL STATEMENTS SUBMITTED.

(B) A COPY OF THE CURRENT ANNUAL REPORT, AS AVAILABLE.

(2) ANY ADDITIONAL INFORMATION PROVIDED IN THE OFFEROR'S (INCLUDING PRIME AND/OR MAJOR SUBCONTRACTORS) SUBMISSION PACKAGE WILL BE CONSIDERED. EXAMPLES OF OTHER INFORMATION INCLUDE: CURRENT PART YEAR FINANCIAL STATEMENT, CURRENT OPEN CREDIT LINES, AND PRO FORMA FINANCIAL STATEMENTS FOR FUTURE YEARS. THIS INFORMATION WILL BE USED TO EVALUATE YOUR FIRM'S FINANCIAL CAPABILITIES RELATIVE TO RESPONSIBILITY;

(3) FINANCIAL STATEMENTS SHOULD PERTAIN TO THE BUSINESS UNIT(S) THAT WILL ACTUALLY BE PERFORMING THE WORK;

(4) IF THE COMPANY TO BE PERFORMING THE WORK IS A DIVISION OF A PARENT COMPANY WHERE THE PARENT COMPANY IS FINANCIALLY RESPONSIBLE FOR THE OPERATIONS OF THE DIVISION, AUDITED STATEMENTS FOR THE PARENT COMPANY WILL SUFFICE. IN THIS CASE, THE COMPANY SHOULD PROVIDE LEGAL DOCUMENTATION TO SUPPORT THE EXISTENCE OF SUCH A RELATIONSHIP;

(5) IF THE COMPANY TO BE PERFORMING THE WORK IS A SUBSIDIARY OF A PARENT COMPANY WHERE THE PARENT COMPANY IS NOT FINANCIALLY RESPONSIBLE FOR THE OPERATIONS OF THE SUBSIDIARY, AUDITED FINANCIAL STATEMENTS OF A PARENT COMPANY ARE GENERALLY NOT A SUFFICIENT SUBSTITUTE UNLESS ONE (1) OF TWO (2) CONDITIONS EXISTS:

(A) THE COMPANY OBTAINS, AND FURNISHES TO THE PROCURING CONTRACTING OFFICER, A WRITTEN SUPPLEMENT TO THE CERTIFIED PUBLIC ACCOUNTANTS FIRM'S EXISTING STATEMENT REGARDING THE PARENT COMPANY'S FINANCIAL STATEMENTS. THIS SUPPLEMENT SHOULD STATE CLEARLY THAT THE INDEPENDENT AUDITOR HAS REVIEWED THE SUBSIDIARY'S OR DIVISION'S FINANCIAL STATEMENTS AS SUBMITTED IN RESPONSE TO THIS REQUEST FOR PROPOSAL, AND HAS FOUND THEM TO BE AN ACCURATE REPRESENTATION

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OF THAT BUSINESS UNIT'S FINANCIAL CONDITION AS OF THE DATE OF THOSE STATEMENTS; AND

(B) THE PARENT COMPANY SUBMITS TO THE PROCURING CONTRACTING OFFICER A LETTER OF COMMITMENT, SIGNED BY AN OFFICIAL WITH THE AUTHORITY TO BIND THAT FIRM, STATING THAT THE PARENT COMPANY ASSUMES FINANCIAL RESPONSIBILITY FOR THE PERFORMANCE OF THE SUBSIDIARY OR SUBORDINATE COMPANY IN THE PERFORMANCE OF THIS CONTRACT.

(6) IF THE COMPANY TO BE PERFORMING THE WORK IS A JOINT VENTURE, LIMITED LIABILITY COMPANY OR SIMILAR TYPE OF ENTITY, THE COMPANY SHOULD SUBMIT THE FINANCIAL STATEMENTS OF ALL THE PARTICIPATING FIRMS. THIS INCLUDES ANY FINANCIAL STATEMENTS, PRO FORMA OR OTHERWISE, THAT EXIST FOR THE PERFORMING ENTITY. THE COMPANY SHOULD ALSO SUBMIT LEGAL DOCUMENTATION CLEARLY DISCLOSING THE CONDITIONS OF THE BUSINESS ARRANGEMENTS AND ATTENDANT FINANCIAL TERMS.

6. BASED UPON THE POTENTIAL FOR SIGNIFICANT SUBCONTRACTOR PERFORMANCE ASSOCIATED WITH AN OFFEROR'S TOTAL TNT SUPPLY PROPOSAL, WITH A CORRESPONDING GOVERNMENT REQUIREMENT TO POSSIBLY DISCUSS A PROSPECTIVE SUBCONTRACTOR'S PROPRIETARY INFORMATION, THE OFFEROR'S PROPOSAL SHALL INCLUDE A PROSPECTIVE SUBCONTRACTOR'S CONSENT RELATIVE TO THE GOVERNMENT'S DISCLOSURE OF ANY PROPRIETARY PERFORMANCE INFORMATION DIRECTLY TO THE OFFEROR. SAID CONSENT SHALL BE REQUIRED FOR THOSE PROSPECTIVE SUBCONTRACTORS AS REFERENCED IN ANY OF THE VOLUMES TO BE SUBMITTED AS PART OF AN OFFEROR'S PROPOSAL.

(END OF PROVISION)

*** END OF NARRATIVE L 002 ***