

Army Contracting Command-Rock Island
40mm Grenade Family System Procurement
Solicitation W52P1J-13-R-0078
QUESTIONS AND ANSWERS
30 October 2014

QUESTION #1: (Pre-Industry Day) Is the intent of the System to be dual sourced or is a single source possible?

ANSWER #1: The Government intends to award one (1) or two (2) contracts. At time of award the Government will decide what is in its best interest.

QUESTION #2: (Pre-Industry Day) Is it the USG's intent to make 1 award?

ANSWER #2: The Government intends to award one (1) or two (2) contracts. At time of award the Government will decide what is in its best interest.

QUESTION #3: (Pre-Industry Day) Has the government any data on the increased reliability of 40mm ammunition, since increase in quality has been heavily underway?

ANSWER #3: The Government does not have data to share, but has experienced significant improvements in the performance of all 40mm ammunition.

QUESTION #4: (Pre-Industry Day) Has the increased quality requirements on 40mm contracts leveled off, or will there be additional increase in requirements in the future (AAIE, SPC, CCC, etc.)?

ANSWER #4: Quality requirements will remain the same as in the past. AIE/SPC/CCC/FAAT, etc., will all remain requirements.

QUESTION #5: (Pre-Industry Day) What does the anticipated funding look like?

ANSWER #5: The table below reflects the most likely quantities, subject to requirements and funding:

CTG:	FY15:	FY16:	FY17:	FY18:	FY19:
M430A1	0	0	0	0	0
M433	0	0	50,000	0	0
M583A1	0	0	0	0	0
M781	351,279	429,874	420,450	416,310	345,517
M918	92,992	70,208	49,824	50,080	27,200
MIXED BELT	1,500,000	1,500,000	5,000,000*	5,000,000*	5,000,000*
M385A1	427,298	325,716	396,064	318,257	82,350
M992	0	0	0	0	0
M585	10,032	0	0	0	0
M661	0	0	0	0	0
M662	0	0	0	0	0

* Reflects quantities for any potential delay with the 40mm Day Night Trainer Procurement

QUESTION #6: (Industry Day) What are the potential splits for two awards? 60%/40%, 55%/45%, 51%/49%?

ANSWER #6: The Government anticipates making a 60%/40% split, in the case of two (2) awards.

QUESTION #7: (Industry Day) The government has indicated that only the base is guaranteed. This seems to heavily favor the incumbent contractor for options, since they have no ramp up. What specific reasons would the government not go to both contractors for option awards besides those listed in FAR 17.207?

ANSWER #7: Option award decisions are made in accordance with FAR 17.207 and DFARS 217.207.

QUESTION #8: (Industry Day) Will some consideration be given to the 'new' contractor, since a new ramp up should take longer than the incumbent?

ANSWER #8: For the formal RFP, the time allowed for a contractor to complete First Article Testing (FAT) and commence delivery will be greater than what was stated in the Draft RFP. The contractor must be prepared to commence deliveries within 450 days where FAT is not required, or 540 days where FAT is required, versus the 270 days and 360 days, respectively, cited in the draft RFP. Note that, as briefed at the Industry Day, prior to conducting FAT, the contractor must obtain Quality Plan approval, General SPC Plan approval, AIE/AAIE approval, FAAT Plan approval, and provide at least 15 calendar days notification to the PCO prior to commencement of testing (for purposes of allowing time for Government to participate, if desired).

QUESTION #9: (Industry Day) Will barrel life limits still be in effect on contractor barrels? I.E. – Current LV requirement is that barrels must be discarded after 1000 rounds.

ANSWER #9: Barrel life limits are in effect as stated in Narrative E0002 of the solicitation. After contract award, the contractor can submit a VECP (value engineering change proposal) with the appropriate documentation to support any possible change, however, for proposal purposes, the offeror's pricing should be based on the requirements stated in Narrative E0002.

QUESTION #10: (Industry Day) Will there be another industry day?

ANSWER #10: Another Industry Day for this acquisition is not anticipated at this time.

QUESTION #11: (Industry Day) Is there any possibility to postpone this contract to combine base and option 1 quantity?

ANSWER #11: No, the base and option quantities, if any, will not be combined.

QUESTION #12: (Industry Day) What rounds are anticipated to be directed to Iowa AAP?

ANSWER #12: The following HV items will be directed to Iowa Army Ammunition Plant (IAAAP), for the Load, Assemble and Pack (LAP) of a quantity up to and including 250,000 per month, subject to funding and requirements: M430A1, M918, M385A1, and Mixed Belt. Any HV cartridge LAP needed above the 250,000/month may be obtained from AO/IAAAP or from other sources within the National Technology and Industrial Base (NTIB).

QUESTION #13: (Industry Day) If a contractor is challenged and found 'guilty' of ostensible subcontracting what is the result? A- Contractor Bid is rejected. B – Contractor must revise proposal C – Other

ANSWER #13: Because this is a Small Business Set Aside (SBSA), if the Small Business Administration (SBA) determines the Small Business is in a Joint Venture with a Large Business, the Small Business Prime can no longer be considered small and becomes ineligible for award.

QUESTION #14: (Industry Day) Since this is a SBSA contract and since there are no quantities anticipated for 5 of the 11 possible items, is it possible to limit the proposal requirements to only 'price' for these 5 items? This would significantly reduce the time and effort required to bid this proposal.

ANSWER #14: In order for the proposal to be acceptable, the Government requires that pricing be provided for all items requested in the RFP, regardless of whether requirements are anticipated at this time.

QUESTION #15: (Industry Day) Since this is a SBSA contract and since there are limited quantities anticipated for 2 of the 11 possible items, is it possible to limit the proposal requirements to only 'price' for these 2 items? This would significantly reduce the time and effort required to bid this proposal.

ANSWER #15: In order for the proposal to be acceptable, the Government requires that pricing be provided for all items requested in the RFP, regardless of whether requirements are anticipated at this time.

QUESTION #16: (Industry Day) Since this is a SBSA contract and since there are no/limited quantities anticipated for 7 of the 11 possible items, is it possible to no bid these items?

ANSWER #16: In order for the proposal to be acceptable, the Government requires that pricing be provided for all items requested in the RFP, regardless of whether requirements are anticipated at this time.

QUESTION #17: (Industry Day) If a contractor is awarded the contract, however no funding is available for one of the items – I.E. M433, then the contractor is not required to perform any work on the item? I.E. – PCA, FAT, etc.

ANSWER #17: The contractor must be prepared to commence deliveries 450 days after award where First Article Test (FAT) is not required, or 540 days where FAT is required. This should be considered by the contractor when determining whether any work must be performed prior to funding. Note that, as briefed at the Industry Day, prior to conducting FAT, the contractor must obtain Quality Plan approval, General SPC Plan approval, AIE/AAIE approval, FAAT Plan approval, and provide at least 15 calendar days notification to the PCO prior to commencement of testing (for purposes of allowing time for Government to participate, if desired).

QUESTION #18: (Industry Day) The government has indicated that the DNT effort may effect HV mixed belt quantities. Will there be any effect on LV M781?

ANSWER #18: Yes, the Low Velocity Day Night Thermal (DNT) may affect future M781 production.

QUESTION #19: (Industry Day) The government has indicated that the DNT effort may effect HV mixed belt quantities. Is there no way for the government to solidify these numbers, since the

additional 10,500,000 units over 3 years represents around 4/5 of the potential revenue of this contract?

ANSWER #19: All procurement quantities are continuously reviewed. The Government has provided its best estimate for future procurement. There is no way to solidify these quantities further at this time.

QUESTION #20: (Industry Day) There are several items required to bid this proposal that are controlled by a 'sole source,' who is also the incumbent.

- a) How does the government recommend contractor proceed with getting quotations if the incumbent/sole source decides to 'no-bid' other SB's?
- b) How can we get the TDP or specific drawings released to foreign suppliers?

ANSWER #20: a) The Government is expecting offerors will be quoted by current producer(s) for these items. However, offerors are reminded that other sources for these items can also be developed and considered, as these are not source controlled nor restricted items.
b) Appropriate US Department of State export licensing or exemption will be required prior to release to foreign suppliers (including Canada) of any TDP/drawings marked as export controlled. Distribution D documents, as contained in the TDPs for this acquisition, are export controlled. If releasing this data to foreign suppliers in support of a response to the RFP is desired, the offeror should pursue the export license or exemption with the US Department of State as soon as possible.

QUESTION #21: (Industry Day) Slide #7. If a draft RFP is not provided by the Government, can contractors assume the previous (2009) RFP to be representative of the upcoming RFP?

ANSWER #21: A draft RFP has been released.

QUESTION #22: (Industry Day) Slide #10. If two qualified and competitive small businesses submit acceptable proposals, does the Government anticipate awarding two systems contracts?

ANSWER #22: The Government intends to award one (1) or two (2) contracts. At time of award, the Government will decide what is in its best interest.

QUESTION #23: (Industry Day) Section B, Option Ranges. While it is understood that the anticipated option ranges are established based on current requirements, we believe they should be revised as shown in the attached table. Revising the ranges in this manner provides two distinct benefits to the Government with no negative impact:

1. Should a situation(s) arise that leads to a conflict where more tactical ammunition is needed, the additional ranges would provide the Government the ability to procure accordingly within the established contract.

2. As the ranges being proposed in the table below are identical in most cases to the current 40mm system contract, the Government can use the current 40mm system contract prices when determining price reasonableness during proposal evaluation.

Option Ranges, Proposal Changes

<u>Cartridge</u>	<u>Current Anticipated Option Ranges</u>	<u>Proposed Option Ranges</u>
M430A1	30,000 – 99,999 100,000 – 249,999 250,000 – 499,999	30,000 – 99,999 100,000 – 279,999 280,000 – 399,999 400,000 – 699,999 700,000 – 1,199,999 1,200,000 – 2,090,000
M433	25,000 – 99,999 100,000 – 249,999	25,000 – 99,999 100,000 – 249,999 250,000 – 499,999 500,000 – 1,000,000
M583A1	10,000 – 24,999 25,000 – 99,999	10,000 – 24,999 25,000 – 99,999 100,000 – 250,000
M781	200,000 – 499,999 500,000 – 1,000,000 1,000,001 – 2,000,000	200,000 – 499,999 500,000 – 1,000,000 1,000,001 – 2,000,000 2,000,001 – 4,000,000
M918	10,000 – 24,999 25,000 – 99,999 100,000 – 249,999	No Change
Mixed Belt	500,000 – 1,499,999 1,500,000 – 3,000,000 3,000,001 – 5,500,000	No Change
M385A1	90,000 – 250,000 250,001 – 400,000 400,001 – 600,000	90,000 – 124,999 125,000 – 199,999 200,000 – 399,999 400,000 – 600,000
M992 IR	10,000 – 29,999 30,000 – 60,000	10,000 – 15,999 16,000 – 29,999 30,000 – 60,000
M585 WS, M661 GS and M662 RS	10,000 – 29,999 30,000 – 60,000	No Change

ANSWER #23: The Government will take this suggestion under review and will consider prior to final RFP release.

QUESTION #24: (Industry Day) Economic Price Adjustment (EPA). The current clause requirement to provide actual price paid information within 60 days of option award has been very problematic. In cases where the actual product deliveries are scheduled 18 months or more out, suppliers are very reluctant to accept a purchase order with a firm price relative to EPA metals for which they will not take delivery that far out. They also are not in a position to buy the EPA metals right away and store them for years, due to issues with cash flow, storage space and the potential for corrosion. Since the EPA clause only allows for downward adjustment of actual price paid relative to the price established prior to option award, it is recommended that the clause be revised to state that actual price paid data be provided to the Government no later than 120 days prior to the first scheduled delivery of the respective option award. If this is not feasible because of varying delivery schedules under the same option award, increase the time frame from 60 days to one year. This change would present no risk to the USG, as any increases in price over the period between award and actual P.O. placement would be borne by the contractor, and would allow the contractor and their vendors to better manage the process.

ANSWER #24: The Government will take this suggestion under review and will consider prior to final RFP release.

QUESTION #25: (Draft RFP) Page 3 – One or two awards – Participation would be much higher if there is a greater possibility of award of 2 contracts.

ANSWER #25: Award of the 40mm contract(s) will be based on a trade-off analysis which represents the best overall value to the Government. The decision to award one or two contracts is part of this analysis.

QUESTION #26: (Draft RFP) Page 4 – first paragraph –

- a) Does the government anticipate that the base quantity will change?
- b) Is it possible that the base award will include other rounds?
- c) Where are the other rounds indicated from industry day (M781, M918, M385A1 & M585) as ‘most likely quantities?’
- d) Is the government expecting elevated pricing on the base quantity to reflect the cost to the contractor for proposal effort, establishment of the contract, and other costs to the contractor?
- e) If the answer to ‘d’ above is no, then how does the government suggest the contract recoup these costs?

ANSWER #26:

- a) This is unlikely, but will be confirmed in final RFP.
 - b) This is unlikely, but will be confirmed in final RFP.
 - c) As requirements are refined, and if funding exists, options may be awarded for the other cartridge configurations.
 - d) As this is a competitive acquisition, an offeror will need to make its own decisions on how/where to propose costs.
 - e) See 26.d)
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QUESTION #27: (Draft RFP) Page 4 paragraph (g) –

- a) What is an acceptable percentage of loss of GFM projectiles due to internal testing, in process testing, scrap and other attrition?
- b) What is historical percentage of loss on the 2005 and 2010 contracts for these areas?
- c) At what percentage over these percentages would the government expect compensation or charge the prime contractor for the extra projectiles?
- d) How many projectiles would be provided for prove out, FAT and LAT's?

ANSWER #27:

- a) A firm percentage has not been identified.
- b) Historical percentages vary, but have not been at a rate that has been a concern to the program.
- c) If projectile losses became a concern, the Government would need to understand what was causing the increase, requiring root cause and corrective action.
- a) For prove out quantities, the contractor will request its anticipated needed quantities. FAT and LAT quantities are prescribed by individual cartridge specification requirements.

QUESTION #28: (Draft RFP) Page 4 - Directed LAP -

- a) Page 4 (h)(1) – 250,000 per month (or less) of HV ammo must be LAP'ed IAAP. Is this per awardee?
- b) Page 4 (h)(1) – Is the 250,000 per month based upon 12 months of delivery of an award, or could the contractor accelerate shipments over a 6 month period and then build half the awarded quantity within NTIB.

ANSWER #28:

- a) For a 100% award, LAP for a quantity up to and including 250,000 per month, subject to requirements and funding, shall be performed at IAAP. For 60%/40% split awards, 150,000 and 100,000 per month, respectively, subject to requirements and funding, shall be performed at IAAP.
- b) The requirement is monthly, facilitating level production. Should a month's requirements fall short of 250,000, the shortfall is expected to be made up in subsequent months, so that the funding year total produced is 3 million rounds, provided the funds and requirements exist.

QUESTION #29: (Draft RFP) Page 4, paragraph (g) states - “ (g) Government Furnished Material (GFM) is included. The M385A1 Projectile Assembly (P/N 8866714) and the M918 Projectile Assembly (P/N 9399374) will be provided to the successful awardee(s) for use in Mixed Belt production, as well as any M385A1 or M918 production.”

- a) If the contractor fails an LAT and the rounds are not purchased by the government, what will the government charge for the projectiles to be sold commercially by the contractor?
- b) Or will the government require disposal or demilitarization of the rounds?
- c) If it is determined that the Lot failed due to the government supplied projectile, does the government still pay for the lot?
- d) If it is determined that the Lot failed due to the government supplied projectile, does the

- government pay for disposal of the lot?
- e) Did any of these situations (or anything similar) occur on the 2005 or 2010 prime contracts?

ANSWER #29:

- a) The nature of the failure would determine whether the Government would allow the contractor to take title to projectiles, or if the rounds should be disposed of. Where title is transferred to the contractor, equitable consideration from the contractor must be negotiated.
 - b) See 29.a).
 - c) If the Government finds/concurs that the lot failed due to the Government furnished projectile, and the lot cannot be accepted by the Government, the contractor would be entitled to submit a request for equitable adjustment for its costs incurred.
 - d) If the Government finds/concurs that the lot failed due to the Government furnished projectile, and the lot cannot be accepted by the Government, should disposal be deemed appropriate, the contractor would not be responsible for the cost of that disposal.
 - e) It would be unusual for a cartridge lot to experience a failure due to the GFM projectile which would prevent the entire lot from being accepted.
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QUESTION #30: (Draft RFP) Page 42 – “LAP activities performed at IAAAP”

- a) What activities are not covered on this list that prime contractor will need to obtain pricing from American Ordnance (AO)?
- b) What additional activities might a contractor need to consider obtaining prices from AO?
- c) Are there any suggested activities a contractor obtain pricing on from AO?
- d) If there is a dispute regarding AO’s interpretation of LAP activities, what is the prime contractors’ resolution process?
- e) If there is an interruption in production at IAAAP due to incident, natural disaster or other event at what amount of time delay (6 month, 1 year) is a prime contractor allowed to pull the work and go to NTIB?

ANSWER #30:

- a) Pricing for any additional duties or functions that a contractor may task the operating contractor, American Ordnance (AO) to perform would be the contractor’s responsibility to obtain/negotiate.
 - b) The Government is not in a position to know what additional activities may be required where pricing should be obtained. It is known that, should a contractor desire to have on-site office accommodations at IAAAP, it would be necessary to pursue such with AO under an ARMS tenant agreement.
 - c) No suggestions.
 - d) Disputes regarding the LAP SOW requirements are not anticipated, as requirements have not changed significantly from the current contract. The prime contractor should ensure it has a full understanding of the LAP SOW so that it will be in a position to manage disputes with AO as its subcontractor.
 - e) This would be determined on a case-by-case basis, should the need arise.
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QUESTION #31: (Draft RFP) Page 43 – The government will negotiate and provide pricing from AO.

- a) How does the government suggest a small business manage the subsidiary of a \$1 billion plus enterprise, when this Large business can fight a legal battle longer and harder than the small business?
- b) The governments statements on page 41 paragraph 3, raises concerns over the robustness of the TDP's. Are these TDP's robust enough to withstand normal manufacturing variances to allow a Small Business prime to be successful?
- c) If the statements on page 41 paragraph 3 are accurate is there data or information indicating potentially unsuccessful combinations and successful combinations?

ANSWER #31:

- a) The contractor needs to manage the subcontracted LAP as set forth in the solicitation. The requirements are well defined.
- b) The TDPs have been determined technically adequate for procurement.
- c) No; successful and unsuccessful combinations vary between contractors.

QUESTION #32: (Draft RFP) Page 91 states: “ g) Before first article approval, the acquisition of materials or components for, or the commencement of production of, the balance of the contract quantity is at the sole risk of the Contractor. Before first article approval, the costs thereof shall not be allocable to this contract for

- (1) progress payments, or
- (2) termination settlements if the contract is terminated for the convenience of the Government.”

Please clarify what would be acceptable to bill as progress payments prior to First Article Approval.

ANSWER #32: For contractors meeting approval requirements to receive progress payments, costs which the contractor has included in its firm-fixed contract pricing and has properly incurred prior to FAT approval, and which do not represent the purchase of materials or components for, or the commencement of production of, the balance of the contract quantity, may be appropriate to progress bill prior to FAT approval. Please refer to Federal Acquisition Regulation (FAR) 32.5 and the Progress Payment clauses of the solicitation for information regarding the approval of a contractor to receive progress payments, the terms of payment and liquidation, the vesting of title in the Government, and other pertinent matters.

QUESTION #33: (Draft RFP) Page 102 I-126 discussed warranty. Where there any warranty claims made against contractors on the 2005 or 2010 40mm Systems Awards? If so, can the government provide what rounds (M430, M433, etc) were subject to this clause. What was the reason for use of the warranty clause?

ANSWER #33: Discussion of specific warranty claims on current/past contracts is not appropriate in support of the solicitation.

QUESTION #34: (Draft RFP) Page 136, in paragraph (c) states:

- An offeror will also be found to be affiliated with its subcontractor(s) if the offeror is unusually reliant upon its ostensible subcontractors or if the subcontractor(s) will perform primary and vital requirements of a contract. Ostensible subcontracting with a large business on a set-

aside acquisition, whether the offeror is an individual small business or a JV, causes the (prime) contractor to be other than a small business and ineligible for award as per 13 CFR 121.103(h)(4).

- a) Who would be allowed to challenge a potential awardee for ostensible subcontracting?
- b) Since no work would have been performed prior to award, what criteria would be used to determine if there is ostensible subcontracting?
- c) When would a challenge be allowed? Only at time of initial award? Or at each option award?

ANSWER #34:

- a) Per 13 CFR 121.1001(a):
 - (i) Any offeror whom the contracting officer has not eliminated for reasons unrelated to size;
 - (ii) The contracting officer;
 - (iii) The SBA Government Contracting Area Director; and
 - (iv) Other interested parties.
- b) At the time of the protest, the SBA makes the determination if there is an ostensible subcontracting relationship in which the subcontractor performs primary and vital requirements of a contract, or whether a prime contractor is unusually reliant upon a subcontractor. As stated in 13 CFR 121.103(h)(4), all aspects of the relationship between the prime and subcontractor are considered, including, but not limited to, the terms of the proposal (such as contract management, technical responsibilities, and the percentage of subcontracted work), agreements between the prime and subcontractor (such as bonding assistance or the teaming agreement), and whether the subcontractor is the incumbent contractor and is ineligible to submit a proposal because it exceeds the applicable size standard for that solicitation.
- c) In accordance with 13 CFR 121.1004(a)(2), for protests by entities other than contracting officers or SBA, a protest must be received by the contracting officer prior to the close of business on the 5th day, exclusive of Saturdays, Sundays, and legal holidays, after the contracting officer has notified the protestor of the identity of the prospective awardee. Per 13 CFR 121.1004(b), the time limitations in paragraph 13 CFR 121.1004(a) do not apply to contracting officers, funding agreement officers or SBA, and they may file protests before or after awards, except for premature protests as defined in 13 CFR 121.1004(e).

QUESTION #35: (Draft RFP) Page 137, in paragraph (e) states:

- No company or JV can be on more than two (2) teams, nor can two (2) companies or JVs be on the same two (2) teams;

Are these teams identified for the purpose of proposal submission or award?

ANSWER #35: This statement is not part of the formal RFP.

QUESTION #36: (Draft RFP) Page 138, in paragraph (g) states: "The Small Business offeror or JV must perform at least fifty percent (50%) of the cost of manufacturing the items, not including costs of materials and profit or fee."

- a) Does the work performed by American Ordnance (since directed by government) not count

towards this requirement?

- b) Is this percentage calculated on the base award only, most probable award or maximum award?
- c) What can be included in “cost of manufacturing” the items?
- d) Who would be allowed to challenge this percentage?
- e) When would a challenge be allowed? Only at time of initial award? Or at each option award?

ANSWER #36:

- a) Per 13 CFR 125.1(v), For purposes of determining subcontracting effort, the directed LAP effort and dollars will be considered part of the cost of materials (i.e., excluded).
 - b) Per 13 CFR 125.6(f), The period of time used to determine compliance will be the base term and then each subsequent option period... .
 - c) As defined in 13 CFR 125.1 (h), cost of manufacturing means, “... costs incurred by the business concern in the production of the end item being acquired... These are costs associated with producing the item being acquired, including the direct costs of fabrication, assembly, or other production activities, and indirect costs which are allocable and allowable. The cost of materials, as well as the profit or fee from the contract, are excluded.” See 13 CFR 125.1 for pertinent definitions (including Cost of materials and Subcontract or subcontracting).
 - d) Per 13 CFR 125.6(e), “Compliance will be considered an element of responsibility and not a component of size eligibility.” As such, the PCO may challenge compliance.
 - e) PCO could challenge prior to award or at any time during performance, should there be reason to believe verification is warranted.
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QUESTION #37: (Draft RFP) Split award – Will the government consider a 55%/45% to make the amortization of cost and risk more beneficial to the smaller of the two potential awardees?

ANSWER #37:

It will be considered. Final determination will be in the formal solicitation.

QUESTION #38: (Draft RFP) NTIB –

- a) Our company has made verbal and written requests for quotes to the NTIB for 40mm components and full up ammunition. We have yet to receive 100% positive confirmation that we will be given quotations. Does the government have any suggestions on how to obtain pricing from the NTIB? Will the government require the NTIB to provide quotations?
- b) The 40mm NTIB is a small community with many items having only a single qualified producer. If a contractor cannot obtain pricing from within the NTIB what are their options?
- c) If prices can be obtained, however terms & conditions are not acceptable, when can a prime contractor go outside the NTIB?
- d) Will the government consider providing any additional materials as GFM (i.e.- M550 & M549 fuzes).
- e) Is the government requiring producers within the NTIB to provide pricing to all bidders?
- f) If a contractor obtains an export license for the technical data (in order to obtain quotes for materials) will the government allow release of these drawings?

ANSWER #38:

- a) Obtaining quotations is the offeror's responsibility. The Government cannot require non-directed sources to provide quotations.
 - b) New sources can be developed. Refer to response for Industry Day question #20.
 - c) If the component is not restricted to the NTIB, a prime contractor can go outside the NTIB.
 - d) Furnishing of additional items as GFM is counter to the goals of the procurement, which is structured so that the contractor will manage the component contracts and supply the Government with end item cartridges as prescribed in the solicitation, rather than the Government managing those items. Therefore, the Government intends to provide only the M385A1 and M918 Projectile Assemblies as Government Furnished Material (GFM).
 - e) See 38.a)
 - f) Refer to response for Industry Day question #20.
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QUESTION #39: (Draft RFP) Industry Day Questions –

- a) Our company submitted questions from the Industry Day held on August 5, 2014. We have not seen a response to these questions.
- b) We would have preferred to have those questions addressed prior to the closing date of questions to the draft solicitation of Sept 16, 2014, to allow further clarification.
- c) To date we do not feel that the government is giving full weight and consideration to the concerns of small business. This is based upon questions asked prior to Industry Day and the responses given to date. We believe greater collaboration now; will result in success in the future for small business.

ANSWER #39:

- a) Responses to the Industry Day questions have been posted to the Draft RFP website.
 - b) Offerors can continue to ask questions and seek clarification up to the RFP closing date.
 - c) The Government has sought feedback from industry through the Industry Day and Draft RFP, and is making adjustments to the solicitation where possible to address the concerns of small businesses.
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QUESTION #40: (Draft RFP) CPOA – On the 2010 contracts CPOA was utilized on nearly every round. Can some sharing of CPOA threshold numbers be allowed so that each prime contractor has an equal escape allowance? Can past CPOA thresholds be shared with the prime contractors to allow reasonable expectations?

ANSWER #40:

Due to CPOA thresholds being highly dependent on individual processes per contractor, and because of the proprietary nature of any contractor's processes, past CPOA thresholds cannot be shared. It should be clarified that the CPOA thresholds do not translate into an escape allowance. An escape is a critical non-conformance that gets past its designated inspection point. The expectation is for zero critical escapes. Note that critical escapes are not covered under a CPOA.

QUESTION #41: (Draft RFP) Executive Summary Clause (h): Reference to Comp A4 and CH-6. Should be Comp A5, and in other places throughout the RFP it is listed as A4 and CH5 (should be CH6).

ANSWER #41: Agreed. These will be corrected in the formal solicitation.

QUESTION #42: (Draft RFP) Executive Summary Clause (h) Directed Source LAP: Recommend that the directed source requirement for HV LAP be changed from the specific 250,000 per month quantity to a percentage of each GFY award (i.e. 50%). Given the most probable quantity projections provided at Industry Day, it is unlikely that more than 3,000,000 High Velocity cartridges will be awarded in any single Government fiscal year. As such, the directed LAP contractor is essentially guaranteed the LAP work every year regardless of performance. By ensuring that the directed LAP source is competing for at least a portion of each High Velocity award, there is incentive to perform, achieve continuous improvement and drive down costs, which is a benefit to all stakeholders, including the US Government.

ANSWER #42: Will take into consideration for the formal solicitation.

QUESTION #43: (Draft RFP) Executive Summary Clause (h) Directed Source LAP: Please clarify that the stated requirement of 250,000 per month really equates to the 3,000,000 high velocity cartridges awarded each Government fiscal year. Recommend the wording be revised to eliminate any confusion.

ANSWER #43: The requirement is monthly, facilitating level production. Should a month's requirements fall short of 250,000, the shortfall is expected to be made up in subsequent months, so that the funding year total produced is 3 million rounds, provided the funds and requirements exist.

QUESTION #44: (Draft RFP) Executive Summary Clause (o) Deliveries: Please clarify the last requirement of this clause, which states all quantities are required to be delivered within twelve (12) months from exercise of any option. This appears too restrictive and in conflict with clause I-122 (c)(4). For example, if in addition to award of the Mixed Belt base quantity of 1,500,000 with FAAT in April 2015, the Government exercises a GFY15 option for an additional 5,000,000 Mixed Belt in August 2015. The first delivery would be due would be due in April 2016 for the base quantity and August 2016 for the option quantity, with all deliveries due by August 2017. If the Government then awards a GFY16 option for Mixed Belt in April 2016, the requirement as stated would require the contractor to complete the GFY16 deliveries by April 2017, four months before even completing the GFY15 option in August 2017. In other words, this requirement will drive overlap of deliveries.

ANSWER #44: For the formal solicitation, this requirement will be changed to read as follows:

(o) For the first award of a cartridge, delivery shall begin no later than fifteen (15) months after award or eighteen (18) months if a FAAT is required. In the case where a FAAT is required, the delivery of the FAAT report is required no later than fifteen (15) months after award. All cartridges are required to be delivered complete no later than twelve (12) months after the initial delivery.

For additional awards of the same cartridge, initial deliveries will begin no later than nine (9) months after award if a FAAT is not required and twelve (12) months if a FAAT is required. In the case where

a FAAT is required, the delivery of the FAAT report is required no later than nine (9) months after award.

For high velocity cartridges only, if current combined quantities on contract exceed 250,000/month, then first delivery for the additional award will follow the last delivery currently on contract.

All option cartridge awards (except when an option is a first award, as set forth above) are required to be delivered complete no later than twenty-one (21) months after award if no FAAT is required or twenty-four (24) months after award if a FAAT is required.

Offerors shall not assume approval for early deliveries, however requests for early deliveries can be submitted to the PCO for consideration.

QUESTION #45: (Draft RFP) Narrative C0002 SOW for LAP: The following requirements should be added to the SOW for the LAP contractor to ensure these contract requirements are included in the Government negotiated LAP pricing and not left to the prime contractor to flow down to the LAP contractor, under which circumstances the LAP contractor can effectively charge the prime contractor any amount because they are in a sole source position:

- Revise item 2 to eliminate the term “negotiate.” The LAP contractor cannot be allowed to negotiate with the prime contractor on TDPL and SOWs that are direct flow downs from the prime contract
- Revise Item 12 to state, “Comply with all System Contract CDRLs that are applicable to the LAP process”
- Revise Item 25 to state, “Load, Assemble and Pack (LAP) contract quantities to all prime contract requirements applicable to the LAP process. Negotiate delivery schedules that at a minimum meet the prime contract delivery schedule. The LAP contractor can negotiate delivery schedule(s) that are accelerated to the prime contract schedule if agreeable with the prime contractor, but cannot refuse to accept delivery schedule(s) that meet the prime contract schedule(s).”
- Revise Item 31 to state, “Prepare lot history records / files to support product acceptance and provide to the prime contractor for review at least three business days prior to the scheduled delivery of each respective production lot.”
- Add Item 41, “Provide prime contractor office space to support two on-site prime contractor representatives.”
- Include detailed listing of “as required” materials that can only be procured by the LAP contractor relative to the LAP process.
- Perform CE / CV in accordance with the MIL-DTL specifications and make determination of charge weight for production.
- Define standard purchase order terms and conditions for which the LAP contractor must agree. On previous contracts, the directed LAP source refused to accept certain standard terms and conditions, and the prime contractor had no recourse as the purchase orders had to be issued due to the directed source requirements.

ANSWER #45: Will take into consideration for the formal solicitation.

QUESTION #46: (Draft RFP) IS7011 Economic Price Adjustment: The current clause requirement to provide actual price paid information within 60 days of option award can be difficult. Product deliveries can be up to two years out, and vendors are very reluctant to accept a purchase order with

a firm price relative to EPA metals for which they will not take delivery that far out. They also are not in a position to buy the EPA metals right away and store them for an extended period of time, due to issues with cash flow, storage space and the potential for corrosion. Since the EPA clause only allows for downward adjustment of actual price paid relative to the price established prior to option award, recommend that the clause be revised to state that actual price paid data be provided to the USG no later than 60 days prior to the first delivery of the respective option award. This change would present no risk to the USG, as any increases in price over the period between award and actual P.O. placement would be borne by the contractor, and would allow the contractor and vendors to better manage the process.

ANSWER #46: For the formal solicitation, the clause will be revised to require that the actual price paid data be provided to the Government no later than 150 days prior to the first delivery on the respective option award.

QUESTION #47: (Draft RFP) Is there anything I need to do to share the 40mm drawings with Vendors in the NTIB?

ANSWER #47: The 40mm drawings can only be shared with vendors in the U.S. without being registered with the Directorate of Defense Trade Controls (DDTC) and obtaining the required export license or appropriate exemption. See the U.S. Department of State website for more guidance at: <https://www.pmdrtc.state.gov/>.

QUESTION #48: (Draft RFP) What about outside the NTIB?

ANSWER #48: Registration with the DDTC is required. After you are registered, you must apply for the appropriate export license. See the U.S. Department of State website for more guidance at: <https://www.pmdrtc.state.gov/>.

QUESTION #49: (Draft RFP) Can you confirm what is the official NTIB?

ANSWER #49: The NTIB is U.S. or Canada only.
