

**DRAFT**

**H-60**

**PERFORMANCE WORK STATEMENT**

**FOR**

**PERFORMANCE BASED LOGISTICS**

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- 1.0 SCOPE. This Performance Work Statement (PWS) encompasses the Contractor's responsibilities for the establishment and operation of a Performance Based Logistics (PBL) Program in support of the H-60 Seahawk weapon system, defined as the following Navy H-60 Type/Model/Series (T/M/S) helicopters: SH-60B, SH-60F and HH-60H. Support of the MH-60S and the MH-60R will be added to the performance work scope at a later date. The program also includes support of the Coast Guard (HH-60J) and all Navy Foreign Military Sales (FMS) customers: Australia, Greece, Spain, Thailand and Taiwan. PBL entails a strategy that stresses speed and responsiveness rather than infrastructure and inventory in order to provide a more flexible, timely and cost effective support of the aircraft, while maintaining quality product and process standards. This concept demands teaming with a commercial entity (the Contractor) to attain better, faster, easier and cheaper support for the H-60 warfighter. Responsibilities transferred to the Contractor will include: procurement, repair, overhaul and/or modification of Navy H-60 peculiar spares and repair parts, storage, packaging, shipping, handling and transportation, configuration management obsolescence and reliability improvements throughout the contract's period of performance. A fundamental goal of PBL is to establish logistics performance requirements and contractual incentives that will mitigate obsolescence, improve reliability and ultimately reduce total ownership cost (RTOC) of the H-60 helicopter.

The Contractor will be required to adapt best commercial practices while teaming with the Government and to implement a program that is transparent to all H-60 domestic and FMS customers.

The program will not include items for which the Army is the Primary Inventory Control Activity (PICA), the engine, engine components and support equipment items. The program however, includes items common to maintenance trainers.

The Contractor will be responsible for supporting the Service Term Extension Program (STEP), Scheduled Depot Level Maintenance (SDLM) Line, Remanufacturing Line, Integrated Maintenance Concept (IMC) Program and Organizational (O) and Intermediate (I) Level repair lines.

- 1.1 Government PBL Points of Contact (POCs). All matters concerning the PBL support of H-60 Squadrons will be coordinated through the Performance Based Logistics Integrated Product Team (PBL IPT) Leader. All contractual issues must be directed to the Procuring Contracting Officer (PCO).

The PBL Program for the Navy H-60 supported items will be based on a "price per flying hour" basis.

- 2.0 DOCUMENTS. Except where otherwise noted by insertion of the revision letter, the latest revisions in effect, as of the date of the contract, for all H-60 engineering drawings and/or configuration specifications and technical repair manuals will apply in the performance of this contract.

- 2.1 Reports and Information. All PBL Program information, content and format will be available in electronic media for ready access by the Government.

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## 3.0 REQUIREMENTS

3.1 Progress Reports/Reviews. The Contractor will provide Progress Reports to the Government on a monthly basis on all contract performance requirements and provide an Action Plan for all performance deficiencies. The Contractor will conduct semi-annual reviews at either Contractor or Government facilities, as specified by the Navy, and will provide status of schedules, program goals and process improvement initiatives.

3.2 Administration and Management: The Contractor will assign a Program Manager (PM) to the PBL Program to act as the single point of contact. The Contractor's Program Manager, may attend Navy H-60 Program reviews and Maintenance Engineering Logistic Review (MELR) meetings and manage the response to action chits assigned during those meetings. The PM will verify that a prompt response is provided to communications received from the Government whether it relates to ILS specific issues or communications addressed to logistic functional departments. The PM will also act as the focal point for all PBL H60 Engineering Change Proposal (ECP) activity and provide the strategic planning and functional resources necessary to submit contractor generated ECP recommendations to the Government. The PM will be involved as an integral part of new drawings and drawing changes to ensure that supportability and maintainability concepts are applied.

The Contractor will establish a process to notify subcontractors when configuration changes are made to PBL components. The Contractor will submit all new and revised engineering drawings to Naval Air Technical Data and Engineering Service Command (NATEC), San Diego for inclusion in the NAVAIR Drawing Repository. The contractor will also have to document all new part numbers and suppliers to NAVICP for inclusion in the supply system database.

The Contractor will define how current organic Depot level repair facilities will be supported. The Contractor will be responsible for procuring, scheduling, and allocating all depot level spares repair efforts under PBL in accordance with the requirements of 10 U.S.C regarding to organic government depots. Under the PBL Program, the Contractor will manage the furnishing of all parts/material required to complete servicing of repairables at the organic Depot level repair facilities. The Contractor will be responsible for Depot repair support, 24 hours a day, 365 days a year. The DoD organic Depot level repair facilities are: Corpus Christi Army Depot (CCAD), Tobyhanna Army Depot (TYAD), and Naval Aviation Depots (NADEPs) Jacksonville, North Island and Cherry Point.

The Contractor will continuously review component readiness, degradation causal factors and submit near and long term solutions to NAVAIR AIR 3.1.2Q.

3.2.1 Integrated Product Team. The Contractor's PM will participate in "Integrated Product Team" (IPT) meetings chaired by the Navy which will be held on a periodic basis to integrate and coordinate support for the H-60 weapon system. The IPT will maximize communication and interaction among the various program disciplines to reach all program goals.

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- 3.2.2 Quality System Requirements. The Contractor will establish, implement, document and maintain a quality system that ensures conformance to all applicable requirements of ISO 9001-1994 Quality System, or an equivalent quality management system/program acceptable to the Government. The Contractor's quality management system/program will be designed to promptly detect, correct and prevent conditions that adversely affect quality. The Contractor will ensure all components, including those supplied by subcontractors, meet the requirements for quality identified in the QA Program. Government Depots are currently in the process of becoming compliant with ISO 9000 standards.
- 3.2.2.1 Calibration System Requirements. The Contractor will establish, implement, document and maintain a calibration system that ensures conformance to the requirements of ANSI/NCSL Z540, ISO-10012-1, or MIL-STD-45662A.
- 3.2.3 Program Management. The Contractor will develop and maintain weapon systems Integrated Logistics Support Management (ILSM) planning, management, and program documentation. The Contractor will be cognizant of all the Integrated Logistics Support (ILS) elements relative to the total air vehicle airframe and mission equipment package.
- If required, the Contractor may perform logistics support and maintenance analyses to sustain field operations and to evaluate the potential impact of proposed changes on Operation and Support (O&S) costs, operational readiness, logistics risks, and logistics support requirements.
- 3.2.4 Engineering Management. The Contractor will establish, implement, and manage engineering planning and processes to support the overall PBL effort.
- 3.2.5 Contractor/Subcontractor Requirements. Contractor will be responsible for the performance of all subcontractors whether they are aircraft manufacturer, major mission avionics system equipment supplier(s) or any other contractors or business relationships on the PBL Program for the H-60. The Contractor will track the performance of all subcontractors throughout the life of the PBL contract.
- 3.2.6 PBL Personnel. Contractor personnel working on Government installations in support of the H-60 PBL Program will observe and comply with all rules, regulations, directives, and requirements which pertain to the conduct of personnel, as prescribed or issued by the resident military installation Commanding Officer during the contract performance period.
- 3.2.7 Security Requirements. The Contractor will comply with the individual Government facilities security requirements. Contractor personnel will be capable of handling and processing information at the appropriate security level. The Contractor will be responsible for obtaining and maintaining any necessary clearances imposed by installation Commanding Officers and ensuring contractor personnel are properly badged.
- 3.2.8 Certification Requirements. The appropriate Contractor personnel will be fully trained and qualified for their respective tasks, and be competent in the use of the Naval Air Logistics Command Material and Maintenance Information System (NALCOMIS).

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3.2.9 Quality of Parts. All articles delivered will be free from defects in accordance with their operational application. Any article failing to operate correctly will be returned to the Contractor for repair or replacement. The decision whether to repair, replace, overhaul, and/or modify any article will belong to the Contractor. Articles so repaired, replaced, overhauled and/or modified are also subject to the provisions of this PWS.

3.2.10 Flight Safety Parts Management. The Contractor will be responsible for the repair, acquisition and management of flight safety parts. The Contractor will be cognizant of all flight safety issues and be prepared to take appropriate action. The following definitions (as provided by the H-60 Class Desk) for flight safety parts and critical characteristics are included herein and will be included in the Contractor's Management Plan.

a. Definition of a flight safety part: any part, assembly, or installation whose failure or malfunction could cause loss or serious damage to the aircraft and/or serious injury to the occupants or ground support personnel

b. Definition of a critical characteristic: any dimension, tolerance, finish, material or assembly, manufacturing/inspection process or other feature, if nonconforming, could cause failure or malfunction of the flight safety part.

The Contractor will establish, maintain, and manage a comprehensive Flight Safety Parts Program that satisfies all Government program requirements defined in this PWS. The Contractor's procedures will apply to all subcontractors. The Contractor will maintain and make available to the Government, documentation to support design, qualification, and test of flight safety parts.

The government will provide and/or identify an initial list of flight safety parts to the contractor. The Contractor will maintain a database of all Flight Safety Parts including part number, nomenclature, and critical characteristics. Modifications to this list must be submitted to the PCO for approval. The Contractor will review inputs from sources such as: Engineering Investigation Reports, Preliminary Report of Aircraft Mishap, Test Reports, customer information and requests, overhaul and repair reports, and other applicable data that may change or may add critical characteristics to existing Flight Safety parts or create new ones.

The Flight Safety Parts Program will require identification of critical characteristics on drawings and incorporation of appropriate quality control procedures on the Contractor's or sub-tier contractor's assembly or detail operation sheets. Critical characteristics will require 100% inspection and will be restricted from the Contractor's Material Review Board dispositions of "use as is" or "repair" but will be reworked to conformity or withheld. The Contractor will be prepared to discuss the repair, acquisition and management of all flight safety parts at all progress reviews.

The items included in this contract are considered Flight Safety Parts unless otherwise designated by NAVICP and/or the Basic Design Engineering (BDE) authority (NAVAIR 4.3 Airframe, NAVAIR 4.4 Drive Train). The Contractor must be cognizant of all flight safety issues and be prepared to take appropriate action during engineering investigations and recommend changes as necessary. The Contractor and/or the Contractor's sub-vendor(s) must maintain all records pertinent to the manufacturing of spare and repair articles. Examples of these records include but are not limited to: raw material certifications, process certifications, test

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and/or inspection methods and results, manufacturing process sheets (travelers), MRB actions, etc.

Reliability Management. The Contractor will establish a Reliability Management (RM) Plan to track and document the reliability of each Weapons Replaceable Assembly (WRA) /Shop Replaceable Assembly (SRA), items manufactured and/or repaired, throughout the life of the contract. Reliability will be measured in Mean Time Between Failure (MTBF) (or other metric, i.e. Mean Flight Hour Between Repair (MFHBR); Mean Flight Hour Between Failure (MFHBF). The RM Plan should include:

- a. A detailed description of how the Contractor will demonstrate meeting the reliability requirements (e.g. reliability accounting and engineering design), and procedures to evaluate the status and control of those requirements for the period of performance.
- b. Identifying known reliability problems, assessing the impact of these problems and proposing a plan to solve these problems.
- c. Procedures or methods for reporting the status of actions to resolve reliability problems.

The Contractor will submit quarterly reports showing the reliability of each WRA and/or SRA. For those WRAs and/or SRAs not meeting the required reliability metric, the Contractor will report the failures, the reasons for those failures and the necessary corrective actions to be implemented to achieve the reliability requirements. Changes will be made in accordance with the Flight Safety Parts Management requirements (PWS section 3.2.10) and Configuration Management section (section 3.4.3.4) of this PWS. (SEE CRDL)

3.2.11.1 Reliability Baseline. The Contractor must track reliability throughout the life of the contract. A first year baseline will be established based upon NAVICP supplied data. The Contractor must maintain at least the same level of reliability as defined by the first year baseline.

3.2.11.2 Failure Reporting, Analysis and Corrective Action. The Contractor will, as part of the reliability program, define and describe the implementation of a failure and fault reporting, analysis and corrective action program. The Contractor will tabulate and trace all reported failures from discovery to action closeout; reports may be in contractor format. All failure analysis will be closed out within 60 days of occurrence unless the Government grants an extension.

3.2.12 Obsolescence Management Plan. The Contractor will develop a plan for managing the loss or impending loss of manufacturers or suppliers for the spare and repairable items covered under the H-60 PBL Program. The Contractor's obsolescence management plan will prevent impact to contract performance metrics and will prevent additional costs to be incurred by the Government due to obsolescence. Changes considered necessary by the Contractor to ensure the continued manufacture and/or repair of the items will be made in accordance with the Flight Safety Parts Management requirements (PWS section 3.2.10) and Configuration Management requirements (PWS section 3.4.3.4). (SEE CDRL)

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3.3 Facilities Requirements. The Contractor will provide facilities required to support the H-60 PBL Program.

3.3.1 Equipment. The Contractor will identify to the Government, all Government equipment required in support of the PBL Program. The Contractor will provide all other tools, supplies, support equipment, utilities, and collateral equipment necessary to successfully support the PBL Program.

3.4 Spare and Repair Parts

3.4.1 Supply Support Requirements. The Contractor will procure, repair, overhaul, manage, and distribute spare parts and material, both repairable and consumable, to satisfy all H-60 wholesale supply support requirements. The Contractor will determine and procure all wholesale level stock ("A" Purpose Code material traditionally stocked at Defense Distribution Depots). The Government will determine and procure retail level requirements ("W", "L" Purpose Code material positioned at fleet operating sites). All new procurement, repair overhaul, and modification actions will be in accordance with the latest Navy approved configuration drawings and technical manuals. The contractor will be responsible for determining wholesale requirements to support demand forecasts. The Contractor will provide the necessary services to accommodate anticipated Government requirements and use best commercial practices to perform these functions.

The Contractor will be authorized access to the Federal Supply System as a Source of Supply (SOS) for peculiar H60 items and common consumables when the Defense Logistics Agency (DLA) Inventory Control Points (ICPs) provide the best value. Management of peculiar H60 consumables will be retained by the DLA until inventory depletion. The Contractor will provide DLA with an annual forecast of common parts when DLA is selected as the SOS. The Contractor will need to review the Standard Automatic Material Management System (SAMMS) or Web Customer Account Tracking System (WebCATS) to determine stock levels and availability before issuing requisitions to DLA for common items. The Contractor will be provided a Military Standard Requisitioning and Issue Procedure (MILSTRIP) Department of Defense Activity Address Code (DODAAC) that will be used to requisition supplies from DLA.

The Contractor will develop, maintain and adhere to the Initial Transition Plan. This Plan will describe how the Contractor will provide a seamless transition with no negative impact on fleet readiness. The Contractor will define how current Navy H-60 owned repairable inventory would be managed and warehoused as material transitions from government management to Contractor management. The Plan may call for a draw down of existing inventory until depletion, bulk shipment of existing inventory to Contractor facilities upon contract award, or a combination of these two approaches.

3.4.2 Depot Support Plan. In that the number of H-60 aircraft is limited and availability for assigned missions and upgrade/modification programs is critical, innovative ways to meet depot level maintenance requirements without having to take the weapon system out of service for protracted periods of time is a prime program concern. The timely and cost efficient accomplishment of depot level maintenance is, therefore, an item of both Contractor and Government interest. The Contractor will submit a plan detailing how the level of work currently at the organic Depot level

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repair facilities will be supported under the PBL Program. This plan will be subject to the requirements of 10 U.S.C with respect to organic government depots. The Contractor will support all H-60 SDLM, STEP and IMC programs for PBL managed spares and H-60 peculiar consumables.

3.4.3 Inventory Management. The Contractor will establish an inventory management system which will ensure that wholesale spares and repair parts are provided to the authorized customers in accordance with the requirements set forth in this PWS.

3.4.3.1 Electronic Data Interchange. The Contractor will receive and process all fleet requisitions and maintain an on-line requisition status tracking and reporting system capable of providing requisition and transportation status, requisition cancellations, and requisition notifications. The system will be capable of providing status on all Government requisitions to authorized Government offices and individual requisition status to requisitioning units. Requisitioning and reporting will be through the Defense Automated Addressing System (DAASC) or similar Government systems.

All EDI transactions will be compliant with the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 Versions 4010/4020 and formatted using the most recently approved DOD/Federally approved Implementation Conventions. The specific EDI transactions that will be exchanged between the vendor and the NAVICP for this PBL effort are (To the Vendor) EDI 940 Warehouse Referral; (From the Vendor) EDI 945 Warehouse Referral Response; (From the Vendor) EDI 527 Material Receipt and (From the Vendor) EDI 846 Material Inventory Adjustment. The corresponding EDI implementation conventions and user guides for these transactions can be found at: [www.navicp.navy.mil/edi/edihome.htm](http://www.navicp.navy.mil/edi/edihome.htm). Both the vendor and the NAVICP will use the functional acknowledgement transaction sets as outlined in Attachment B on the PBL EDI Web site. The vendor will be responsible for exception processing and error correction as described in the EDI operations guidelines on the EDI web site.

3.4.3.2 Forecasting. The Contractor will be responsible for forecasting wholesale inventory levels in support of fleet stock replenishment and end use requirements. In addition, the Contractor will forecast repair parts requirements in support of all depot repair lines. Requirements forecasting will be based on supporting the planned flying hour and training programs. The Contractor will take into consideration existing Government inventory and contract due-ins when developing wholesale requirement forecasts. The Government will provide access to procurement consumption and inventory management and planning information to assist the Contractor in establishing the initial requirements. The Government furnished historical requirements are provided for informational purposes. It is solely the Contractor's responsibility to accurately forecast requirements. The Contractor will be responsible for collecting and maintaining necessary information to support future forecasting of requirements. The Government will provide the past demand history, past flight hours reported, and projected future flight hours to enable this effort. The Government will maintain responsibility for forecasting and funding initial retail stock level requirements. (NOTE: When retail stock is issued from the station or ship supply department to the squadron or intermediate maintenance activity, a requisition will be submitted to the wholesale supply system for replenishment of that stock. If no retail stock is available or no retail requirement computed for the site, then the customer will submit an end use

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requirement to the wholesale system. It is these wholesale requirements that the PBL Contractor is responsible for satisfying.)

3.4.3.3 Cannibalization and Salvage. If deemed appropriate by the Contractor, cannibalization or salvage of parts the contractor is responsible for under this PWS, may be undertaken to ensure replacement/repair piece part availability to meet projected needs of both the fleet and the repair and overhaul lines.

3.4.3.4 Inventory Control. The Government will maintain ownership of wholesale and retail inventory. The PBL Contractor will be accountable for the storage, management and distribution of the wholesale inventory using the Contractor's approved inventory management processes. The Government will be responsible for the ownership, management and accountability of the retail stock at local supply departments. The required outcome is to have serviceable spares and repair parts available to support planned Navy H-60 flying hour programs. The Contractor will be responsible for replacing attrited (i.e., wornout) depot level repairables during the life of the contract. Consumable inventory will be issued and replenished by the Contractor. Upon contract conclusion, both repairable and consumable inventory will be returned to the Government in the same quantities that transitioned to the Contractor less authorized issues to Government activities. Equitable adjustments will be made to accommodate the addition of new inventory items during the period of performance as well the deletion of obsolete parts. The Contractor will report the status of the wholesale inventory to the Government using the Commercial Asset Visibility (CAV) software, which requires the Contractor to provide daily mechanized transaction reports, until an Electronic Data Interchange (EDI) solution is available in support of this process.

The Contractor will perform a physical inventory of all PBL managed spare and repair parts as necessary to maintain inventory accuracy and correct any discrepancies noted where data is available. At the conclusion of the contract, the Government will require ownership of the specified quantity of assets rather than the specific serial numbers of items retained at time of contract award.

3.4.3.5 Configuration Management. The Contractor will manage H-60 weapon system configuration to ensure integrity and compatibility of the system, subsystem, assembly, and subassembly configuration baseline in an automated configuration database. The baseline configuration of all Contractor managed spare and repair parts is documented in the Original Equipment Manufacturer (OEM) drawing files (including all authorized vendor drawings). The Contractor will maintain the configuration of all delivered hardware and software in accordance with. The Contractor will furnish new/updated engineering drawings to NATEC for the master Naval aviation drawing repository. The Contractor will maintain a Configuration Management Plan to meet program objectives and contractual requirements of the PWS. Configuration management activities will include configuration identification, control, and status accounting in terms of component part number identification, nomenclature, serial number (if applicable), National Stock Number (NSN) and aircraft tail number installation date and removal. The Contractor will plan for implementation of all configuration changes during the contract period of performance. The Contractor will ensure through the ILSM process that all subcontractors are notified of configuration changes. The Contractor will obtain NSNs from NAVICP for new items.

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3.4.3.5.1 Changes to Configuration. All changes to the baseline configuration drawings and associated part numbers will be as the result of a Government approved ECP. The originator will report resulting changes in Technical Directives (TDs). The Contractor will review all TDs issued by the H-60 Program and initiate corrective action to update appropriate inventory records and on-hand spares.

3.4.3.5.2 ECPs. Achievement of the improved reliability and maintainability that are anticipated under this contract might require modifications and changes to existing equipment. Proposed changes that alter the H-60 weapon system's hardware or software in the form of ECPs or other engineering changes, must include any associated changes to the supporting logistics elements such as maintenance plans, technical manuals, training and training equipment, spares, drawings and support equipment. Engineering changes will be proposed by a formal ECP in accordance with. Changes that identify hazardous or safety conditions will be provided to the Government by the most expeditious means. Contractor submitted "no cost" ECPs must identify any efforts for which source data is furnished and the Government will be required to issue formal updates. The Contractor will be responsible for all kit procurement, storage, handling, and shipment associated with Contractor generated ECPs.

The Government will maintain approval authority for all Class I changes that effect airworthiness qualification, system safety, form, fit, function, logistics and/or changes that could negatively impact readiness, supportability or performance. All other changes will be designated as Class II. All proposed changes will be documented in the Contractor configuration management system in the Contractor's format. Each change proposal package will include as a minimum:

- Reason for change,
- Description of change,
- Applicability plan,
- Impact assessment utilizing commonly accepted engineering and logistics practices.

All Class I ECPs will be forwarded to NAVAIR for review and approval with a copy to PCO (see CDRL). All Class II changes will be submitted to the Government for review and comment. The Government reserves the right to reject or reclassify a Class II change within 30 calendar days from the date of Contractor correspondence. If a Class II change is rejected, then the Contractor is responsible for returning all assets to their former configuration and suspending all activities involved with the change at the Contractors own expense. Government notification will be in electronic format followed by formal letter.

The Contractor will also notify NAVICP Code P07121 of any anticipated impact to Packaging, Handling, Storage & Transportation (PHS&T) as a result of an ECP.

The Contractor will maintain configuration data in accordance with MILSTD 973. In the event the Contractor determines that a modification should be performed on articles while such articles are in supply and/or installed within the U.S. Navy (termed "retrofit"), the Contractor will provide manpower, as required, to effect the modification at no additional cost to the Government. However, in no event will the failure or inability of the Government to facilitate such retrofit be considered relief to the Contractor of any requirements of the PWS.

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- 3.4.3.5.2.1 ECP Requirements. The Contractor will provide source data updates for data generated under the H-60 production phases as they apply to updating logistics and technical data, training and training equipment, spares, and support equipment, as separately funded by the ECP.
- 3.4.3.5.2.2 Logistics Support Database Maintenance and Updates. The Contractor will maintain and update an H-60 Logistics Support database utilizing industry best commercial practices. The Government will continue to approve all Maintenance Plan changes prior to release to the fleet.
- 3.4.3.5.2.3 Provisioning Technical Documentation. The Contractor will maintain Provisioning Technical Documentation (PTD) and submit provisioning DCNs as they occur to achieve the PBL program requirements and to provide supply support for the H-60.
- 3.4.3.5.3. Technical Directives. The Contractor will generate appropriate Routine or Record Technical Directives (TDs) associated with approved ECPs, track them until completed and provide status upon request.
- 3.4.3.6 Repair Management. The Contractor will administer and manage a repair program. The Contractor must be able to track material shipped for repair and determine those units Beyond Economic Repair (BER).
- 3.4.3.6.1 Disposition of Material. The Contractor will determine disposition of material excess to requirements and BER items in accordance with FAR/DFAR guidance. Items rendered excess by approved engineering changes will be reported in accordance with the applicable Technical Directive.
- 3.4.3.6.2 Intermediate Maintenance Activity (IMA) Support. The Contractor is encouraged to make logistics support recommendations to IMA activities and take associated action, if required, in order to improve H-60 performance and the PBL effort.
- 3.4.3.6.3 Spare and Repair Source Qualification. The Contractor will be responsible to ensure that only those sources recognized by the Navy as approved sources and currently listed in the Navy database will be used for spares and repair of repairable under this PBL contract. The Contractor will be responsible for the performance of all its vendors and sub vendors.
- 3.4.3.6.4 Alternate Source Qualification. The Contractor will be required to submit source approval requests to NAVICP for the use of all alternate sources for flight safety items as outlined in the Source Approval information page, located at [www.navicp.navy.mil/business/started.htm](http://www.navicp.navy.mil/business/started.htm), under the heading "Becoming a Source". Alternate sources may not be utilized unless written permission is granted by the PCO. The Prime Aircraft manufacturer is exempt from this requirement and must utilize existing procedures for this process. For non-flight safety items, the Contractor will utilize source selection criteria acceptable to the cognizant Defense Contract Management Area (DCMA) Quality Representative (QAR).
- 3.4.4 Foreign Military Support (FMS) Requirements. The Contractor will handle FMS requirements in accordance with the Security Assistance Manual, NAVSUP 526 and the Financial Manual for

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Security Assistance. The Government currently provides support or is in the process of supporting the following countries.

The table below identifies the current level of support provided to FMS.

<b>Country</b>	<b>ACRFT</b>	<b>Support</b>	<b>FMS Case</b>
Australia (AT)	16 S-70	DRP	JBH
Greece (GR)	5 S-70	DRP	JBC
			JZM
		ROR	MCL
			MCT
Spain (SP)	12 SH-60	DRP	JWK*
		CLSSA	KAF
			KBN
Thailand (TH)	6 S-70	DRP	Pending
		ROR	Pending
Taiwan (TW)	10/11 S-70	DRP	JUF
		CLSSA	KAB
			KLT

\* FMS case is shared between SH-60/SH-3/AV-8

### 3.5 Packaging, Handling, Storage and Transportation (PHS&T)

3.5.1 Packaging The Contractor will be responsible for the packaging of spares and repair parts in accordance with MIL-STD-2073-1C/2B. Items that are expected to enter the military distribution system and all Outside Continental United States (OCONUS) shipments shall be packaged in accordance with Level A requirements of MIL-STD-2073-2B. Items not going into stock shall be packaged in accordance with standard commercial practice as defined in ASTM D 3951.

In addition, the following unique requirements apply:

1. Use of plastics should be reduced in preservation and packing operations. All packaging methods and materials will be reusable/recyclable and should minimize the quantity of solid waste generated at the time of disposal.
2. Shelf-life items will be identified to NAVICP Code M0772 and records of cure/assembly date will be compiled and maintained to ensure a minimum of 85% of the shelf life remaining at time of receipt.

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3. In accordance with public law, Material Safety Data Sheets (MSDS) must be provided to the Navy focal point via the Procuring Contracting Officer (PCO) for inclusion in the Hazardous Materials Information System (HMIS), with copies to NAVICP Code M0772.
4. As a minimum, electrostatic sensitive circuit card assemblies, modules and electronic modules containing electronic components such as resistors, transistors, diodes, integrated circuits, etc., will be provided protection from damage caused by electrostatic discharge. ESDS and EMI material will have wraps, cushioning and bags or pouches which are electrostatic protective, electrostatic dissipative and magnetic shielding. Markings will include: "Items susceptible to ESD/EMI damage. Open/ Handle at approved stations only Equipment susceptible to damage from electrostatic discharge (ESD) and/or electrostatic (EM) forces shall be handles in accordance with existing approved procedures (e.g., grounded work stations, etc., as defined in MIL-HDBK-263 and MIL-STD-1686.
5. Shredded paper, excelsior (wood shavings), polystyrene and other "loose-fill" materials are prohibited for cushioning/dunnage in Navy packaging.

3.5.2 Reusable Containers. Repairable items assigned to reusable shipping and storage containers shall be shipped in containers provided by the Navy. To obtain reusable containers, the Contractor may request containers online via the Container Request Form (CRF) NAVICP 4030/2, available under website: <http://www.nll.navsup.navy.mil/navicp/default.cfm>. Under "Document Type" click on the down arrow to "Contract Support Documentation". Under "Keywords", type in "CSD011", then "Search". Click on the form title; fill out the appropriate information and click "Submit", which will automatically send the form to the NAVICP Container Manager. In the event the reusable containers are unavailable, the Contractor will package the items in accordance with the requirements of MIL-STD-2073-1B/2C. Under no circumstances will the unavailability of reusable containers be an excusable delivery delay. Unit pack will be designed to conserve weight and cube while retaining the protection required and enhancing standardization.

3.5.3 Container Marking. All unit, intermediate and shipping containers will be marked in accordance with the requirements of MIL-STD-129.

3.5.4 Packaging and Return of Retrograde Material. The Contractor will be responsible for the packaging and transportation of retrograde assets to repair sites. The Government currently packages and transports retrograde assets to repair sites via the Government's Advanced Traceability and Control System (ATAC).

3.5.5 Damage Reporting. The Contractor will define how assets damaged during forward and retrograde shipments will be reported to the Government.

3.5.6 Storage. The Contractor will define how all material coded for indoor storage will be managed to prevent the in-storage degradation of material.

3.5.7 Transportation. The Contractor will be responsible for the transportation of material to destination. The Contractor will ship all assets to the commercial shipping address specified by the activity. If the shipping address is not provided, the DAAS DODAAC Inquiry System will

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be used to obtain addresses for CONUS activities (<http://daynt6.daas.dla.mil/dodaac/dodaac.htm>). For deployed units, the Naval Transportation Support Center (NAVTRANS) Fleet Locator Service (757-443-5434) will be requested to provide the commercial overseas shipping address if needed. For overseas destinations, the Contractor will be responsible for customs clearance and associated fees, if any. The Contractor will be responsible for meeting delivery timeframes specified below. The Contractor will provide asset visibility and will be responsible for providing input to the Global Transportation Network (GTN) for all shipments of material for which the Contractor is assigned as ICP.

The Contractor’s Management Plan will explain how the following aggressive delivery schedule will be met.

<u>Issue Group</u>	<u>Priority</u>	<u>Delivery Timeframes</u>	
		CONUS / Hawaii	Overseas
1	01-03	24 hrs	72 hrs
2	04-08	72 hrs	7 Days
3	09-15	192 hrs	10 Days

Table 1

3.5.8 Availability Requirements and Incentives. The Contractor will be responsible to maintain 90% availability of all items in the three priority groups with incentives as defined in the table 2 below.

“*Availability rate*” is defined as number of fills divided by the number of requisitions.

A “*fill*” is defined as an item that is presently in Navy possession or will be in Navy possession in accordance with the times outlined in Table 1 above.

“*In Navy Possession*” is defined as “at the designated site for CONUS/Hawaii or at the beach detachment for OCONUS.

*The contractor will be responsible to maintain 90% availability of all items in the three priority groups with incentives as defined in the table below. The Contractor must fill all priority issue group 1 requisitions before filling priority issue group 2 and 3 requisitions. Failure to comply with these requirements could constitute default of this contract.*

Example of an Annual Availability Payment Adjustment

Availability	Adjustment	
	Issue Group 1	Issue Group 2 & 3
90%	\$0.00	\$0.00
89%	\$200,000.00	\$200,000.00
88%	\$400,000.00	\$400,000.00

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87%	\$600,000.00	\$600,000.00
86%	\$800,000.00	\$800,000.00
85%	\$1,000,000.00	\$1,000,000.00
84%	\$1,200,000.00	\$1,200,000.00
83%	\$1,400,000.00	\$1,400,000.00
82%	\$2,000,000.00	\$2,000,000.00
81%	\$2,600,000.00	\$2,600,000.00
80%	\$3,200,000.00	\$3,200,000.00
79%	\$3,800,000.00	\$3,800,000.00
78%	\$4,400,000.00	\$4,400,000.00
77% or less	\$5,000,000.00	\$5,000,000.00

Table 2

*Further explanation of an Availability Adjustment example: If the Contractor provides an average annual availability rate of 87% for Issue Group 1 items and 88% for Issue Group 2,3 items, then the contract will be adjusted by  $\$600,000 + \$400,000 = \$1,000,000$  or one million dollars for that year.*

The Government will be responsible for calculating availability rates accordingly and calculating associated adjustments.

3.5.9 Reliability Requirements and Incentives. The Contractor will be paid a fixed price per flight hour.

This payment strategy incorporates an intrinsic reliability incentive for the Contractor. Under this program, the Contractor benefits from reliability improvements by providing fewer parts to support a larger number of flight hours.

3.5.10 Carcass Loss. The Contractor assumes responsibility for carcass loss during shipment under either Government or Contractor cognizance.

### 3.6 Technical Support

3.6.1 Technical Data. Procurement and use of proprietary contractor/subcontractor technical data not previously delivered to the Government and required for support of the H-60 weapon system will be the responsibility of the Contractor.

3.6.2 Component Life and Time between Overhaul. The Contractor will use the in-service data to review and optimize component-specified life, Time between Overhauls (TBO) or usage.

3.6.3 Integrity Studies. The Contractor may perform interchangeability and substitutability integrity studies in order to maintain and improve reliability and availability. The Government reserves the right to approve or reject a substituted part.

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- 3.7 Contract Exit Phase. The Contractor will develop, implement and execute an exit transition plan upon completion of the H-60 PBL contract. The Contractor will return the latest version of all engineering drawing files, approved drawings not yet submitted to the central repository, technical manual change pages and updates to the manuals. Upon receipt of termination notification or notification to transition to another support resource, the Contractor will implement their approved exit transition plan.

At the conclusion of this effort, the Contractor will return to the Government in RFI condition all Government owned material in possession of the Contractor. The Contractor will submit a proposal to the Government for purchase of Contractor Furnished Material.

- 3.7.1 Exit Transition Conference. The Contractor will attend a transition conference convened by the Government at a minimum of one year prior to the end of the contract.

- 3.7.2 Exit Responsibility. At the time of completion or termination of the contract, the following actions will be taken:

1. The Government will update the Master Repairable Item List (MRIL) so that failed Articles are not returned to the Contractor.
2. Any items received by the Contractor for repair/replacement prior to completion of the contract will be repaired/replaced under this contract.
3. The Contractor will provide to the Government all parts, materials, instructions and configuration records necessary to incorporate any open (approved but not fully delivered) Class I and Class II change under the contract. The Contractor's Technical Data Package (TDP) will reflect any changes made to the part numbers. The Contractor will also submit the source data necessary to establish organic maintenance and repair of the items at no additional cost to the Government. This information will include, but not be limited to: all revisions/changes to existing engineering drawings, publications and technical documents.
4. The Contractor will notify the Government at least two (2) years, or earlier if mutually agreed upon, of its intent to withdraw from this program at the end of the contract term. The Contractor and the Government will develop a joint plan for transition to an organic or other commercial source. During this period, the Contractor will continue to perform to the contract and assist in the transition. The Contractor will provide test equipment, support for test equipment, and WRA/SRA piece parts, as agreed to by both parties to the gaining repair source per U.S. Navy direction 180 days prior to contract completion at no additional cost. Should the parties fail to reach an agreement, the Contractor will perform as directed by the PCO. This decision will be subject to the disputes clause listed in the FAR.
5. Termination for convenience by the Government will be in accordance with FAR clause 52.249.2. The Government will compensate the Contractor for residual piece part, SRA and WRA inventories upon termination for the Government's convenience provided quantities (including units ordered but not yet delivered by vendors) are within the prudent range (best

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practices for industry). Upon issuance of the modification finalizing termination inventory will become the property of the Government.

6. Final settlement of inventory. Contractor will ensure that inventory at end of the contract matches inventory at beginning of contract. Significant differences between entry and exit inventories due to parts being added or removed from inventory will be agreed upon between the Government and the Contractor during the life of the contract. Equitable adjustments for variations in inventory due to shortfall of parts will be made to the government.