

## Small Caliber Second Source September 14, 2010 Industry Day Questions/Answers

**Please note the answers to the following questions are not binding upon the Government.**

1. Based on industry feedback and concern, the Government now intends to issue a solicitation for a producer/systems integrator to produce all three families (5.56mm, 7.62mm, Cal .50). Thus, the Government has determined that one contract award, instead of three separate contract awards, would represent the best value to the Government due to the lower cost to evaluate, award, and administer one contract and economies of scale available to a contractor producing all three families. Therefore, only one contract will be awarded based on the solicitation.

2. **Question:** Can a contractor propose on a DODIC level?

**Answer:** No, offerors must provide an offer on all the items listed in the RFP (see slide 13 of the industry day briefing).

3. **Question:** Will the Government entertain revising the strategy to allow tracer cartridges from outside the NTIB versus tracer projectiles?

**Answer:** No, as stated in the approved J&A, the Government intends is to have the NTIB producers assemble the cartridge within the NTIB. (Bullets/projectiles do not constitute a complete cartridge. The words *bullet/projectile* are interchangeable.)

4. **Question:** Can the tracer projectiles be shipped to the NTIB without the cartridge?

**Answer:** Yes, there are vendors who are currently doing this.

5. **Question:** What quantity of tracers will be needed for the lifetime of the contract?

**Answer:** At this time, the Government cannot provide a reasonable estimate of tracer quantities; however, historically most 7.62mm and Caliber .50 ammunition procured were 4 ball/1 trace.

6. **Question:** The Industry Briefing states contractors can get magnesium powder outside the NTIB; however, will the Government allow other components/raw materials to be procured outside the NTIB?

**Answer:** This procurement is restricted to the National Technology Industrial Base (NTIB) in accordance with 10 U.S.C. 2304 (c)(3) as implemented by FAR 6.302-3 (a)(2)(i). It is the intent of the Government to maximize the use of the NTIB. Therefore, offerors are requested provide the Government feedback on any and all components, to include raw material, which cannot be obtained in the NTIB, with the exception of tracer projectiles for 5.56mm M856 cartridges, 7.62mm M62 cartridges, and Caliber .50 M17 cartridges and the magnesium powder

used to produce those tracer projectiles. The Government will evaluate offeror's inputs and list any NTIB exceptions in the RFP.

**Revised Answer:** See the response to Question 103.

7. **Question:** Will the Government look at single point of failures that are common to Lake City Army Ammunition Plant (LCAAP) and second source?

**Answer:** No, on this RFP, the Government is concerned about mitigating a single point of failure for the production facilities at LCAAP.

8. **Question:** Who are the ARMS tenants at LCAAP and what do they supply?

**Answer:** The following are the current ARMS Tenants:

- MAST (40mm M781; M81 Igniter time blasting fuze)
- Pride Machinery (occasionally supports Modernization)
- Arcadis (supports an Army environmental contract)
- Elite Cuisine (food service to production buildings)
- WASP (administrative operations for non-standard ammo contract)

In process:

- Bearing Distributors (commercial sales although are an ATK vendor for maintenance supplies)

Please note this list is subject to change and not the responsibility of the Government to update.

9. **Question:** Will the Government provide weapons for testing?

**Answer:** Yes, weapons will be provided as GFM.

10. **Question:** Can a contractor have more than one (1) automatic weapon on site?

**Answer:** Current Government contractors have more than one automatic weapon on site.

11. **Question:** Caliber. 50 A576 was on first second source, will it be on this RFP?

**Answer:** No.

12. **Question:** Will the Government compete out year requirements each year?

**Answer:** No, under this proposed contract, options will not be competed. However, the Government reserves the right not to exercise an option in a given year and re-compete those requirements via a new contract vehicle if it is in the best interest of the Government.

13. **Question:** Given the volatility of copper prices, will the Government do anything to mitigate the price?

**Answer:** The Government will mitigate the copper price volatility by use of the EPA clause.

14. **Question:** Will the Government set the baseline for copper?

**Answer:** The Government is currently developing the EPA clause for copper and it will be available in the Draft RFP.

**Revised Answer:** In accordance with the EPA clause and Attachment 0015 of the solicitation, the Contractor will provide the baseline along with sufficient documentation to support the baseline.

15. **Question:** Does the Government plan to have an EPA for energy?

**Answer:** No, the Government does not plan to have an energy EPA in the RFP.

16. **Question:** What does a foreign contractor need to do to obtain the TDP?

**Answer:** In order to obtain the TDPs, the contractor would need to have a DSP-5, fully executed by the State Department, which allows for the export of the technical data in question.

**Revised Answer:** In order to obtain the TDPs, the contractor would need to have a DSP-5, fully executed by the State Department, which allows for the export of the technical data in question. Reference questions 114 and 125.

17. **Question:** Can an existing technical assistant agreement (TAA) be transferred?

**Answer:** Please contact the State Department so they can address your individual concerns.

18. **Question:** Will waivers to the TDP be granted?

**Answer:** The Government expects the contractor to build to U.S. Military TDPs.

19. **Question:** When will the M855A1 TDP be issued?

**Answer:** The Government intends to provide the M855A1 TDP after the issuance of the Draft RFP upon request to the Contracting Officer with the certified DD form 2345.

20. **Question:** Does the M855A1 use tracer projectiles?

**Answer:** The M855A1 does not use tracer projectiles.

21. **Question:** Will the Government waive First Article Acceptance Tests (FAATs) for continuous production?

**Answer:** Offerors shall propose assuming they will need FAATs. Any possible waivers will be in accordance with clauses in the solicitation/contract.

22. **Question:** Can the NTIB producers switch subcontractors after the first year?

**Answer:** Yes, the producers can change subcontractors; however, FAATs will be required in accordance with the contract. If a subcontractor is used that was not in the original proposal, then a change in place of performance must be approved by the Contracting Officer.

23. **Question:** Will the Government validate new producers by requiring bid samples?

**Answer:** No, FAATs will be required in accordance with the contract. If a subcontractor is used that was not in the original proposal, then a change in place of performance must be approved by the Contracting Officer.

24. **Question:** Will MIL STD 1916 be included in the solicitation?

**Answer:** Yes.

25. **Question:** Will the new SPC clause be included in the RFP?

**Answer:** The RFP will include 52.246-4506 Statistical Process Control (SPC).

26. **Question:** In push/pull there is a possibility to award 650,000,000 rounds in a given year, if so, would the delivery scheduled be adjusted beyond the 24 months in the proposed contract?

**Answer:** Should option quantities which are pushed back or pulled forward be awarded, and the total for the particular caliber family then exceeds the maximum quantities per year established in the solicitation, the Government will adjust the contract delivery schedule so that the contractor will not have to deliver more than the maximum quantity per family in that given year.

27. **Question:** Can an option be pulled into the base year?

**Answer:** At this time, the Government does not intend on pulling future option years into the base year, however this may be changed if the base contract award is delayed.

28. **Question:** Can the Government pull unused option year one (1) quantities to option year four (4)?

**Answer:** Yes.

29. **Question:** Will the option years be matrix pricing?

**Answer:** Yes, there will be range pricing for all the option years.

30. **Question:** Will deliveries be FOB origin or FOB destination?

**Answer:** Deliveries will be FOB origin.

31. **Question:** Will the second industry day be scheduled prior to the end of calendar year?

**Answer:** The Government is aggressively trying to hold a second industry day prior to end of calendar year.

32. **Question:** How much time is there between the RFP and proposal submission?

**Answer:** At a minimum, no less than 30 days.

33. **Question:** How likely is a September 2011 award date?

**Answer:** The Government is aggressively working towards this award date.

34. **Question:** Can the Government provide an estimated breakdown of the quantity of rounds and DODIC mix expected for each of the potential contract years? If not what volume ranges does the government anticipate receiving pricing from each caliber and DODIC?

**Answer:** The solicitation (Request for Proposal-RFP) will provide ranges per DODIC for the base and each evaluated Option Year along with family maximums.

35. **Question:** What does ARMS related equipment at LCAAP really mean? (Link manufacturing equipment, etc...) As a result of modernization at LCAAP, old production lines may be turned off under this ARMS scenario. Can someone utilize this equipment for the second source? If so how?

**Answer:** The language presented at Industry Day regarding use of LCAAP will be revised when included in the RFP and state the following:

Approval to use Lake City Army Ammunition Plant (LCAAP) as a place of performance, and/or approval to use Government Property and Equipment on LCAAP will not be granted by

the Government for use of this acquisition. However, any Armament Retooling Manufacturing Support (ARMS) tenants on LCAAP are acceptable for use on this acquisition as long as the appropriate ARMS approvals have been granted. No, the old production lines cannot be used on second source.

36. **Question:** The number of DODICs announced at Industry Day is less than the previous sources sought – what are the reasons for this?

**Answer:** The DODICs announced at Industry Day were determined by the Government team to maximize competition within the NTIB.

37. **Question:** Does the LCAAP operating contractor currently have the entire TDP for DODICS AB56 to AB58?

**Answer:** No.

38. **Question:** With respect to the Enhanced Lethality Round TDPs, does the US government anticipate any exclusions of contractors from competition due to organizational conflicts of interest?

**Answer:** No.

39. **Question:** Who will be responsible for shipping end product (DODIC) to the depots – will it be via GBL or will the contractor be responsible?

**Answer:** The RFP will be FOB Origin for all contract deliverables (DODICs). The contractors will be responsible for all other shipping.

40. **Question:** What potential ammunition depots will be included as possible delivery destinations?

**Answer:** Under a FOB Origin contract, the Government will be responsible for delivery to required destinations.

41. **Question:** What DODICS and volumes are expected to be delivered at each depot?

**Answer:** Under a FOB Origin contract, the Government will be responsible for delivery to required destinations.

42. **Question:** Where will acceptance of the DODIC be made – origin or destination?

**Answer:** Origin.

43. **Question:** If a solicitation and subsequent award is released based on this Sources Sought, will the contractor be permitted to invoice in accordance with FAR Subpart 31.10 Performance-Based Payments? If not, what type of contract financing is expected?

**Answer:** At this time the Government intends to include Progress Payments in the RFP.

44. **Question:** If a FFP contract is awarded, will the contractor be allowed to open discussions for contract price adjustments for contract years beyond FY11? Will the contractor then be allowed to account for these changes in uncontrollable raw material costs through an Equitable Price Adjustment or through pricing re-negotiations?

**Answer:** Re-negotiation of prices will not be allowed. The resulting contract will be a firm fixed price contract. As noted in the Industry Day briefing, there will be an Economic Price Adjustment (EPA) clause for copper.

**Revised Answer:** In addition see the response to Question 137.

45. **Question:** Is there the potential to include a .50 Caliber Armor Piercing Incendiary (M8 API) and/or a .50 Caliber Armor Piercing Incendiary Trace (M20 APIT) DODIC like the A576 in the mix with the current restriction of projectiles for M8 and M20 cartridges to international sources?

**Answer:** No.

46. **Question:** Will the USG follow a bid process similar to 60/81mm FRPC?

**Answer:** The bid process will be outlined in the RFP.

47. **Question:** Given a greater level of inspection at cartridge level acceptance versus linked lot level acceptance, will the US TDP be revised to include 100% belt pull at cartridge lot acceptance? (applied to all calibers)

**Answer:** No.

48. **Question:** Which Critical Characteristic Clause (CCC) will be included in the contract?

**Answer:** See draft RFP.

49. **Question:** To what level of components will FAATs be required on this contract?

**Answer:** See draft RFP.

50. **Question:** Will existing approved processes require new FAATs or will roll-over approvals be granted?

**Answer:** Offerors shall propose assuming they will need FAATs.

51. **Question:** Will roll-over approval be granted for existing AIE approval?

**Answer:** No.

52. **Question:** What GFE/GFM will be available on date of award? If all required GFP is not available, will USG approve a day for day slip for deliveries until such time as GFP is supplied?

**Answer:** See draft RFP.

53. **Question:** Will the USG ship GFP to the source of supply at no cost to the prime contractor?

**Answer:** See draft RFP.

54. **Question:** Will RFDs currently approved on the current Second Source contract be approved or rolled-over to the new contract?

**Answer:** No.

55. **Question:** Will the USG approve new RFDs similar to those currently in place for new suppliers at the time of contract award?

**Answer:** The RFP will require that all ammunition be built to the U.S. TDP. RFDs will be considered on a case by case basis but the Government does not guarantee approval of any RFD.

56. **Question:** Will the Government consider providing EPA for commodities other than copper?

**Answer:** At this time, the Government is only considering an EPA for copper. As part of the draft RFP, offerors may suggest other commodities to be included. In doing so, offerors shall provide a compelling argument detailing the volatility and how much that commodity impacts the overall unit price. Information received will be considered.

57. **Question:** With FOB Origin terms, international shipments (if required) will be arranged by the Government and the Government will be identified as the exporter of record. Is this correct?

**Answer:** See the answer to Question #39.

58. **Question:** Will ammunition cans be provided as GFM?

**Answer:** No.

59. **Question:** In the Industry Day Announcement, it was stated that any Armament Retooling Manufacturing Support (ARMS) related equipment on LCAAP is acceptable for use on this acquisition. In your posting of Industry Day Questions/Answers, Question No. 8 dealt with ARMS tenants at LCAAP. The listing of tenants did not include the cartridge link facility at LCAAP. Does this mean that use of the LCAAP for supply of links is prohibited?

**Answer:** Yes. The link producer at LCAAP is not an ARMS tenant.

60. **Question:** Will the contract allow Progress Payments?

**Answer:** At this time the Government intends to include Progress Payments in the RFP.

61. **Question:** Will range pricing be requested by DODIC? Will the ranges, when added together, total more than the product family maximums quoted at Industry Day?

**Answer:** Range pricing will be requested by DODIC. The ranges in a family when added together for all DODICs will total more than the family maximums. However, the contractor will only be required to deliver up to the family maximums per year in accordance with the delivery terms outlined in the contract.

62. **Question:** Who are the approved suppliers for the M855A1 Penetrator (USG Drawing 13020536) and M855A1 Slug (USG Drawing 13020546)?

**Answer:**

Penetrator:

- 1) Machine Labs, Lenexa, Kansas
- 2) Abbate Screw Products, Roselle, Illinois
- 3) MRP, Howell, Michigan

Slug:

- 1) MRP, Howell, Michigan
- 2) Derringer-Ney, Marshall, North Carolina

63. **Question:** Is it the Government's intention to limit the movement of option quantities between option years (push/pull) to a maximum of one year?

**Answer:** No. The Government reserves the right to push/pull option quantities to or from any option year.

64. **Question:** It was identified in the pre-solicitation that magnesium powder could be procured outside the NTIB. Does the government intend to verify that all other commodities/materials are sourced from within the NTIB?

**Answer:** The intent of the Government is for the offerors to provide all components and raw material used in cartridge production from the NTIB (U.S. and Canadian) sources with the exception of tracer projectiles and magnesium powder. The offerors will be requested at the next Industry Day to provide a list of components/raw material which cannot be obtained from NTIB sources with a detailed explanation of why it is not available.

**Revised Answer:** The intent of the Government is for the offerors to provide all components and raw material used in cartridge production from the NTIB (U.S. and Canadian) sources with the exception of tracer projectiles and magnesium powder. The offerors will be requested at the next Industry Day to provide a list of components/raw material which cannot be obtained from NTIB sources with a detailed explanation of why it is not available. However, if you are aware before Industry Day of components/raw material which cannot be obtained from NTIB sources, please provide that information to the Government now with a detailed explanation of why it is not available.

**Revised Answer #2:** See the response to Question 103.

65. **Question:** How commodities will be “leveled” in TEP evaluation? How will a consistent baseline be established on commodity price assumptions to assure a level playing field for competitors and a consistent risk profile to the government from one offerer to the next?

**Answer:** The contract will be awarded based on a firm fixed price competition. Offerors will be bound to the prices proposed, with the exception of commodities included in the EPA clause. For items included in the EPA clause, offerors will be required to substantiate the baseline price with actual quotes received.

**Revised Answer:** The contract will be awarded based on a firm fixed price competition. Offerors will be bound to the prices proposed, with the exception of commodities included in the EPA clause. For items included in the EPA clause, offerors will be required to substantiate the baseline price with sufficient documentation. In addition see the response to Question 137.

66. **Question:** Can the Government provide additional detail on timing for the draft RFP and Industry Day II?

**Answer:** The Government will communicate this data via FedBizOps and the website: <http://www.aschq.army.mil/ac/aaisdus/Sow.aspx>.

67. **Question:** Any additional data on the relative distribution of rounds by DODIC within each family to aid contractor planning efforts?

**Answer:** See Question/Answer #34.

68. **Question:** Any new data or insight on the relative distribution of rounds between M855 & M855A1 and transition timing to aid contractor planning efforts?

**Answer:** Not at this time.

69. **Question:** Could actual data on orders against the original Small Caliber Second Source contract be provided for planning purposes?

**Answer:** Each contract stands on its own and contractors should not rely on data from a previous acquisition.

70. The answer to question # 64 has been revised. Please see question #64.

71. **Question:** Is it indeed prohibited to use LCAAP links?

**Answer:** The Government's position is that the producer, for links production line at LCAAP, is not an ARMS tenant. Therefore, the Government will not allow the offerors to use the links production line at LCAAP.

### **Small Caliber Second Source November 30, 2010 Industry Day Questions/Answers**

**72. Question:** The Government's answer to Question 71 (see Q&A Updated 15 Oct 2010) states "the Government will not allow the offerors *to use the links production line* [emphasis added] at LCAAP." We understand that the LCAAP operator sells links it produces on the production line for use other than the prime contract on a non-interference basis. We understand that the operator also provided links in support of the previous second source contract. As the LCAAP prime supply contract has a performance period that extends to 30 September 2013, is it acceptable to purchase links from the operator in support of this solicitation to the end date of that performance period?

**Answer:** The Government will not allow links to be purchased from LCAAP.

**73. Question:** NSNs on A131 and A143 have changed since the Sources Sought Announcement was issued. Is this an error or has the NSN changed for both DODICs due to a change in the TDP? If revisions have been made to the TDPs, can you explain the revisions?

**Answer:** The following changes were made to the NSNs for A131 and A143:  
-A131 changed from 1305-00-892-2150 to 1305-01-569-2912  
-A143 changed from 1305-00-892-2330 to 1305-01-569-2917  
The change is due to the implementation of low flash propellant into the TDPs.

**74. Question:** Can you provide the approximate month that the awards for Years 2 through 5 will occur?

**Answer:** The Government cannot provide award timeframes. Contractors are reminded that option quantities might not materialize.

**75. Question:** Page 39 of the RFP states that propellant reassessment will be required on propellant lot(s) with a date of manufacture beyond two years of contract award. It appears as though this reassessment must be conducted only on propellant manufactured 2 years prior to contract award date. Is this correct? Propellant manufactured after contract award will not require reassessment. Is this correct?

**Answer:** The intent of the Government is that if the contractor uses a propellant lot which is more than two years old at anytime during contract performance they will be required to do a lot reassessment. The Government will clarify this language in the RFP.

**76. Question:** Pages 42–56 Packaging and Marking: Typos: Revision dates on drawings are inconsistent.

**Answer:** The Government will revise for the formal RFP.

**77. Question:** Page 58 Government Furnished Ammunition: For lot acceptance testing required by the Prime Contractor at the vendor's facilities on components or raw materials, will Government Furnished Ammunition be supplied and approved for use?

**Answer:** The Government will only provide Government Furnished Ammunition in direct support of cartridge lot acceptance testing, FAATs, and charge establishment. The Government will clarify this language in the formal RFP.

**78. Question:** For lot acceptance testing required by the Prime Contractor at the vendor's facilities on components or raw materials, will Government Furnished Test Support Equipment be supplied and approved for use?

**Answer:** The Government will only provide the Government Furnished Test Support Equipment listed in clause 52.245-4540 in direct support of cartridge lot acceptance testing, FAATs, and charge establishment. The Government will clarify this language in the formal RFP.

**79. Question:** Page 58 Government Furnished Test Support Equipment: Typo; The Contractor will submit a written request for this property...no later than thirty (90) days prior to the desired delivery date.

**Answer:** The Government will change thirty to ninety for the formal RFP.

**80. Question:** Page 61 Ammunition Data Cards: Section (d) identifies a requirement to submit separate ADCs for bullets, shellcases, propellant and primers. If these components are produced in-house by the cartridge manufacturer, will separate ADCs for these components still be required? If components produced in-house do not require separate ADCs, can this be clarified in this section?

**Answer:** The Government will require Ammunition Data Cards (ADC) for the full up cartridge. We will not require ammunition data cards for bullets, shellcases, propellant and primers. Three (3) DODICs (A064, A131, A557) will require three (3) ammunition data cards-one for the DODIC, one

for the Ball cartridge, and one for the tracer cartridge. The remaining DODICS require one (1) ammunition data card at the cartridge level.

**81. Question:** Page 70 Deliveries or Performance: The Industry Day Briefing revealed delivery completion within 24 months after Government placement of orders on the contract. However, RFP reveals varying completion timelines ranging from 14 to 24 months. Are the timeframes in the RFP accurate? In addition, there are conflicts on the delivery completion these pages:

Page 86: I-109 Paragraph (e)  
Page 113: Technical Management/Risk Paragraph 3.a.  
Page 122: Technical Management/Risk Paragraph 3.a.

**Answer:** Although we stated 24 months at Industry Day (September 14, 2010), the Government made a determination to change the delivery dates to the following: The offerors plan to complete deliveries within 18 months (24 months for Base M855A1) of placing an order. The 18 months presumes First Article will be required. If First Article is not required then deliveries must be completed 14 months after award. Reference F, Narrative F0001 for specific delivery timelines. The Government will clarify this language in the formal RFP.

**82. Question:** RFP states: Reasonable monthly quantities must be delivered. Deliveries shall not be heavily loaded toward the end of the delivery period. Can you define heavily loaded? Will the delivery schedules (timing of deliveries) be negotiated at the time of order placement?

**Answer:** The deliveries will be negotiated after exercise of any option and will be based on the offeror's capacity as detailed in its proposal but will be no later than the timeframe specified in Narrative F0001. The offeror shall not deliver the full amount of any DODIC in the last month of a particular delivery period, unless agreed to by the Contracting Officer.

**83. Question:** Page 71 Item Identification and Valuation (FAR 252.211-7003): Clarification is requested on FAR 252.211-7003 Item Identification and Valuation (AUG 2008). What is needed under this clause?

**Answer:** Alternate I states that marking is not necessary. However, the contractor will be required to report the unit acquisition cost at the website identified in paragraph (d) in Alternate I.

**84. Question:** Page 78: Special Contract Requirement:  
H-2 (b) – listing of items appears to be missing. Should there be items listed under this paragraph?

H-2 (c) – these propellants appear to be missing from this list: WC844T, WC846 and WC857.

**Answer:**

H-2 (b) The clause will be revised to state items listed in Section B of this solicitation with the exception of tracer bullets/projectiles, magnesium powder, and possibly other material for which the contractors demonstrate there is no NTIB source.

H-2 (c) WC844T, WC846 and WC857 will be added to the list.

**Revised Answer:** H-2 (b) The clause will be revised to state items listed in Attachment 0011 titled Component Suppliers Template- with the exception of links, M80 bullet jacket cups, tracer bullets/projectiles and magnesium powder. This acquisition will allow these items to be obtained from OCONUS suppliers. Those components/items would then be assembled into cartridges by the NTIB producer. If links are obtained from a non-NTIB source, the linking of the cartridges for the applicable DODICs must be performed at a NTIB producer.

**85. Question:** Page 85-86 Option for Increased Quantity, Clause I-109: We believe the wording on paragraph (j) of this clause is somewhat ambiguous. If it is the Government's intent that the Contractor never be required to deliver more than the maximum quantity per family per year we recommend adding the words highlighted below to paragraph (j). Should option quantities which are exercised, as a result of a combination of base or option year quantities or pushed back or pulled forward as delineated in paragraph (i) above, and the total for the particular caliber family then exceeds the maximum quantities per year established in Narrative A0001 of this solicitation, the contractor will not have to deliver more than the maximum quantity per family in that given year. The delivery schedule for any quantity over the maximum per family per year will be negotiated between the parties.

**Answer:** The Government does not intend to adopt this recommendation.

**86. Question:** Page 113 & Page 122 Technical/Management/Risk; Paragraph 2 Capacity: Base Year quantity of A059 (25.3M) conflicts with Page 3 Executive Summary Paragraph 5 Base Year award of A059 (25.0M). Which is correct?

**Answer:** 25.3M is correct. The Government will revise in the formal RFP.

**87. Question:** Page 115 Supply Chain Management: Supply Chain Management Plan must be submitted that demonstrates ability to effectively plan and execute an acceptable supply chain management system, including their sub-contractors to the third tier level. What is meant by "including their sub-contractors to the third tier level?" Does this only pertain to an Integrator or does it also pertain to a direct producer?

**Answer:** Supply Chain Management plan must be provided to the raw material level.

**Revised Answer:** The Program Management/Supply Chain Management plan must be provided to the level delineated in Attachment 0011, titled Component Suppliers Template.

**88. Question:** Is the detailed Letter of Commitment required of all suppliers including raw materials and packaging suppliers? Or, is it just required from cartridge and cartridge component suppliers?

**Answer:** Detailed letters of commitment are required for cartridge and cartridge component suppliers only.

**89. Question:** Page 116 Past Performance: Can you please post the Performance Risk Assessment Questionnaire document to the website?

**Answer:** The questionnaire will be provided.

**90. Question:** The RFP does not detail how the USG plans to handle reductions in CLIN item unit prices caused by subsequent option orders when payments on the initial deliveries have already been made. Could the Government please walk the offerors through the process as it will be applied by the USG?

**Answer:** Refer to Section A Narrative, paragraph 10.

**91. Question:** The RFP currently provides for an EPA clause only for copper. Would the USG consider an EPA clause for other commodities such as lead or zinc?

**Answer:** The Government will consider additional requests based on adequate supporting data provided by the Contractor.

**92. Question:** The proposed EPA clause contains a 10% cap on upward adjustments that is based on actual costs. This structure limits the USG exposure in an escalating commodity market and transfers the risk to the Contractor above the cap. However, the proposed downward adjustment does not contain a cap and is not based on actual costs incurred by the Contractor. This places all of the risk on the Contractor, and if the Contractor hedges the price of copper as part of normal business practice then the Contractor runs the risk of having their CLIN prices adjusted downward if the commodity market pricing falls despite the Contractor having to pay a higher hedged price. Would the Government consider including a cap on downward adjustments on the EPA for copper and modifying the EPA clause so that it is based on actual cost savings?

**Answer:** No, there will not be a cap for downward adjustments.

**Revised Answer:** No, there will not be a cap for downward adjustments. On a case by case basis, the Contracting Officer may consider an adjustment if there is a net savings to the Government.

**93. Question:** The draft EPA clause currently prohibits allowances for contingencies to the extent it is covered by the EPA clause. Could the Government please explain this clause and how it relates to year over year material escalation percentages as a cost element?

**Answer:** Additional clarification on this question is required.

**94. Question:** Will FAT be required on all CLINs or only those initially ordered in the base year? Who pays for subsequent FATs caused by breaks in performance due to lack of USG orders?

**Answer:** FAATs may be required on any CLIN awarded on this contract in accordance with the First Article Test Clause (52.209-4512). The party responsible for payment is in accordance with the First Article Test Clause (52.209-4512).

**95. Question:** The RFP is structured to allow for the possibility of a negotiated procurement and provides for progress payments. Will the Government entertain the inclusion of Performance Based Payments (PBMs) as a substitute for Progress Payments?

**Answer:** The solicitation will include and be evaluated based on the use of progress payments. After contract award, the contractor can propose an alternate payment arrangement. The Government will then receive consideration for the increased cash flow.

**96. Question:** Per Section L of the draft RFP, Letters of Commitment are required from each supplier/source and for any additional parties identified in the supply chain. Additional guidance is requested relative to the applicability of this requirement within the supply chain and specifically at what level it applies.

**Answer:** Reference the answer to question 88.

**97. Question:** Could the Government walk the offerors through the process by which the transportation evaluation factors will be calculated and applied?

**Answer:** The Government is assessing the transportation evaluation.

**Revised Answer:** The transportation evaluation will be calculated based on the quantities included in the base year and in accordance with the clause 52.247-4588. This total will be added to the total evaluated price.

**98. Question:** Attachment 1 CDRLs : While instructions for completing DD Form 1423 are included with the draft RFP, the CDRLs were not. Will the Government provide a listing of the actual CDRLs that are expected to be part of the resulting contract?

**Answer:** The CDRLs will be provided with the formal RFP.

**99. Question:** Section A, Page 3, paragraph 7. Section A-7 of the Solicitation indicates that Lake City is not an approved place of performance and use of government equipment at LCAAP is not authorized. However, use of ARMS tenants at LCAAP is authorized. If a contractor elects to work with an ARMS tenant at LCAAP, is there a separate requirement to obtain approval for LCAAP as a place of performance, or does A-7 provide such approval? Is the current Contractor operating LCAAP permitted to use its contractor-owned equipment at LCAAP, as an ARMS tenant would be able to do in support of this Program?

**Answer:** Production at LCAAP is not allowed with the exception of ARMS tenants. A separate approval to use LCAAP is not required when contracting with ARMS tenants. Contractor-owned equipment at LCAAP that is comingled with Government furnished property cannot be used without a valid ARMS agreement.

**100. Question:** M80 TDP Reference MIL-C-46931. On the FAATs of the M80, will the U.S. Government require the barrel erosion test be performed in the T65E1? If so, will the Government provide the T65E1 weapons or is ammunition to be shipped to the NARTC?

**Answer:** The Government is researching this question.

**Revised Answer:** The barrel erosion test will not be required.

**101. Question:** Attachment 0016. Attachment 16 discusses the NATO compatibility testing and application of the NATO symbol of interchangeability. Will we need to wait to apply the symbol until after the PT has passed, or will the Government want this symbol applied from the beginning of the contract?

**Answer:** The symbol cannot be applied until NATO qualification is successfully completed.

**Revised Answer:** The symbol cannot be applied until NATO production testing is successfully completed.

**102. Question:** Section M, Page 124, paragraph b. and page 126, paragraph M – 4. The Government will calculate a weighted evaluation price by multiplying the proposed unit prices for each range by their respective weight and maximum quantity, and summing their totals. Transportation evaluation of offer(s) will be based on F.O.B. price(s) plus Government transportation cost from shipping point(s) to the destination(s) named herein. Since the Government’s calculation of the offeror’s evaluated price includes transportation cost from F.O.B origin points to defined Government installations, how will the Government know the origin points for each DODIC? Should the pricing matrix provided in Attachment 9 also include the F.O.B. origin point for each DODIC?

**Answer:** The Government is assessing the transportation evaluation.

**Revised Answer:** The following Section L Narrative will be added for formal RFP: In order for the Government to evaluate transportation, the offeror must provide, for the base year only, the quantity for each DODIC and specific location (s) that quantity will be shipped from. (Note: The base year quantity is specified in the RFP). If a DODIC is going to be produced at multiple locations, then the quantity to be shipped from each location must be specified.

**103. Question:** Section A, page 3, paragraph 6. Offerors are requested to provide the Government feedback on any and all components, to include raw material, which cannot be obtained in the NTIB. Will the Government consider allowing the following items to be obtained from OCONUS suppliers since they are only available outside the NTIB?

- Microcrystalline Cellulose – used in the point filler material for M33
- Lead Nitrate
- Barium Nitrate
- Amino Guanidine
- Sodium Picramate
- Gum, Tragacanth
- Gum, Arabic
- Antimony Sulfide
- Aminate
- PETN
- M80 Bullet Jacket Cup

Also, lead antimony CAN be purchased within the NTIB but it’s very expensive. Will the Government also consider adding Lead Antimony to the above list?

**Answer:** The Government is currently assessing this request.

**Revised Answer:**

In accordance with FAR Part 6.302-3 (b) (v) Industrial Mobilization, this procurement is restricted to U.S. and Canadian Firms - the National Technology and Industrial Base (NTIB) for all the components/items listed in Attachment 0011, titled Component Suppliers Template- with the exception of links, M80 bullet jacket cups, tracer bullets/projectiles and magnesium powder. This acquisition will

allow links, M80 bullet jacket cups, tracer bullets/projectiles and magnesium powder to be obtained from OCONUS suppliers. Those components/items would then be assembled into cartridges by the NTIB producer. If links are obtained from a non-NTIB source, the linking of the cartridges for the applicable DODICs must be performed at a NTIB producer. Therefore, levels below the Component Suppliers Template are not required to be obtained from the NTIB.

**104. Question:** Section L, page 116, paragraph 4. Performance Risk Assessment Questionnaires shall be completed and submitted. Will the Government provide this Past Performance questionnaire?

**Answer:** The questionnaire will be provided.

**105. Question:** Section I, page 102 Paragraph c, EPA for Copper ....the contractor will be required to submit any price increases or decreases related to copper, and shall provide sufficient data supporting the amount of increases or decreases, on the last working day of August for each Government Fiscal Year wherein an option can be exercised. What would the cutoff date be for this calculation that is due on the last working day of August? 5 Working days before the end of August? 10 working days before the last working day of August?

**Answer:** Please provide further clarification on the question.

**Revised Answer:** EPA clause has been revised.

**106. Question:** Section I, page 102 Paragraph c, EPA for Copper. The contractor, within twenty (20) calendar days of issuance of the Contracting Officers notice, shall notify the Contracting Officer using the Economic Price Adjustment (EPA) Worksheet (Attachment 0015) of any price increases or decreases related to copper, and shall provide sufficient data supporting the amount of increases or decreases. Is the cutoff date for this EPA calculation the date of issuance of the Contracting Officers notice, or the date the data is submitted or any day in between? What is considered sufficient data supporting the amount? Would the London Metal Exchange "Copper Grade A" index be sufficient? Does the average price include data for weekends and holidays (using the previous day's data) or should data only be used for days the exchange is open?

**Answer:** Please provide further clarification on the question. Sufficient data consists of a purchase order documenting the actual price paid for the copper. An index does not apply to this procurement. Average prices also do not apply.

**107. Question:** Section I, page 102 Paragraph g.4 & g.5.EPA for Copper. ....Any price adjustment under this clause is subject to the following limitations....The increase for copper for any option CLIN unit price made under Paragraph (b) of this clause shall not exceed ten percent (10%) of the firm-fixed CLIN unit price.....There is no percentage limitation on the amount of decreases that may be made under this clause. What is the rationale for the 10% EPA cap for copper increases and yet there is no cap for copper decreases?

**Answer:** Reference the answer to question 92.

**Revised Answer:** Reference the revised answer to question 92.

**108. Question:** Section I, page 102 Paragraph e, EPA for Copper. Within sixty (60) calendar days of a modification issued under Paragraph (b) of this clause, the Contractor shall submit a purchase order documenting the actual price paid for copper to the Contracting Officer. If the data supporting the actual price paid for copper is less than the price for copper indicated by the data provided in accordance with paragraph (b) of this clause, the Contracting Officer will issue a modification adjusting CLIN unit prices for the option quantities exercised, as limited by Paragraph (g) below. This adjustment will be downward only. The modification will be made within thirty (30) calendar days of receipt of the data required under this Paragraph. Why is this condition one sided only? The government has two opportunities to benefit related to copper pricing, while the contractor are stuck with the price submitted 60 days earlier, even if prices have increased. All risk related to copper pricing (including changes after an EPA has been agreed upon), is on the contractor, and not the USG.

**Answer:** The EPA clause stands as written.

**109. Question:** Section I, page 101 EPA for Copper. Economic Price Adjustment (EPA) for Copper. Since brass is made up of both copper and zinc, why is there no similar EPA for Zinc?

**Answer:** The Government will consider additional requests based on adequate supporting data provided by the Contractor.

**110. Question:** Section c, page 61, M33 and M17. IMR 5010 was removed from M33 and M17 cartridges in 1999 due to its higher flame temperature, which results in excessive barrel wear and increased muzzle flash. Why is IMR 5010 now included as an approved powder for .50 cal M33 and M17? Does the government intend to requalify IMR 5010?

**Answer:** The Government is researching this question.

**Revised Answer:** The IMR 5010 for Cal .50 ammunition will not be used in this contract. The Government intends to generate an ECP to remove it from the TDP.

**111. Question:** Section H, page 78, paragraph H-2 (c). Five propellants are listed to be manufacture, assembled and tested in the U.S or Canada, but WC 846 and WC 857 are not. Why are WC 846 and WC 857 BALL POWDER® Propellants not also restricted to the NTIB?

**Answer:** Reference the answer to question 84.

**112. Question:** Section I, page 83. Provisions for Progress Payment are included but provisions for Performance Based Payments are not. Will the Government consider Performance Based Payments in accordance with FAR Clause 52.232-32 rather than Progress Payments?

**Answer:** The solicitation will include and be evaluated based on the use of progress payments. After contract award, the contractor can propose an alternate payment arrangement. The Government will then receive consideration for the increased cash flow.

**113. Question:** BALL POWDER® Propellant and Nitrocellulose have been identified as a single point failure risk. This RFQ could be the appropriate place to include a CLIN and SOW element(s) for risk mitigation. Can there be provisions in this RFP to mitigate this risk?

**Answer:** Currently under review.

**Revised Answer:** There will be no provisions in this RFP to specifically mitigate ball powder and nitrocellulose single point failure risks.

### **Small Caliber Second Source Questions and Answers Received after the November 30, 2010 Industry Day**

**114. Question:** Can the trace projectile TDPL information be provided to foreign trace suppliers through a Government to Government transfer?

**Answer:** No. The US Government will not take responsibility for managing the offeror's potential subcontractors. In addition, US export laws forbid third party redistribution, so any data which was exported in such a manner could not be provided to industry by the receiving Government. It is the responsibility of the offeror to ensure that its export compliance obligations are met.

**115. Question:** With regard to the new Op Sec requirement, what will be considered sensitive information and what will be considered critical?

**Answer:** The clause provides the definition for sensitive and critical information. A list of critical information and specific threat information tied to your product and location will be submitted to the offeror awarded the contract. An example of critical information is technical drawings and maps, such as TDPs marked as limited distribution. An example of sensitive information is information a contractor considers proprietary.

**116. Question:** We're concerned about five years of fixed pricing in this period of extreme economic uncertainty. Is there any chance of other EPAs that can be applied to this competition?

**Answer:** The Government is willing to entertain other EPAs. Offerors must provide sufficient rationale documenting the volatility and the impact to the cartridge unit prices of the proposed commodities.

**117. Question:** Why is there a new drawing number for the M80 cartridge?

**Answer:** Reference the answer to question 73.

**118. Question:** Is the .50 cal shellcase drawing number 13028542 with the new hardness requirement finalized and can we get a copy?

**Answer:** The approved drawing will be included in the formal RFP or modified via ECP after contract award.

**119. Question:** The palletization drawing for the AA33 DODIC (19-48-4168) is not included with the TDP just received. Was that an oversight?

**Answer:** Yes, this was an oversight. The Government will forward this drawing with the complete TDPL package to be released with issuance of the final RFP.

**120. Question:** The inspection equipment list which includes the gage list in the TDPL for the new M855A1 cartridge is two pages long. In the M855 TDPL this list is 44 pages long. Is there something missing from the M855A1 package?

**Answer:** Certified TDPs to include the inspection equipment list will be provided for the M855A1 in the formal RFP.

**121. Question:** The RFP states, "All products to be U.S. TDP specs". Why are there evaluation factors for compliance. The products "are" or "are not" compliant. Therefore, if non-compliant, the entire proposal should be "non-compliant" Please clarify: Is there such a thing as "almost to spec" or "partially to spec" or a "percentage" of spec compliance?

**Answer:** No; the offeror shall demonstrate that they understand and have the ability to comply with all U.S.TDP requirements.

**122. Question:** The solicitation has a longer FAT [submit FAT report within 300 days ARO] and delivery schedule [complete within 24 months ARO] for the M855A1 than the other rounds. We agree that the M855A1 will take longer since it essentially requires new facilitization. However, the new machinery lead-time is about 300 days by itself plus then install time, start-up/debug time, validation / prove-out time. This real-world cumulative elapsed time becomes inconsistent with a FAT in 300 days. Recommend that the solicitation be modified so that the FAT + all deliveries are still completed within 24 months, but require no specific dates for the FAT and leave it up to the offeror to propose a FAT schedule and a delivery schedule that is completed within the 24 months.

**Answer:** The delivery schedule will remain as specified within the RFP. The Government believes the RFP FAAT timeline includes sufficient time for the procurement/installation/prove-out of any new machinery.

**123. Question:** Option pricing [page 86]. The usual option pricing clause used by the USG in the recent past has been that multiple smaller option awards in a given FY are added together to see if the cumulative quantities result in the latest award option falling into a higher quantity range to get lower unit pricing for that latest option order only. Recommend the following sentence be deleted from the solicitation: "The Government will adjust unit prices for CLINS previously awarded within the option year..."

**Answer:** The Government believes we are entitled to cost breaks as we order cumulative quantities. However, in the formal RFP we will change the option clause to state unit prices will be determined by adding the quantities exercised on that action to any previous option exercised on that applicable DODIC/CLIN within 180 days.

**124. Question:** We recognize the EPA clause is a standard FAR clause. Recommend that the 10% be changed upward to say 25% or more as a fairer approach.

**Answer:** In accordance with the FAR, the maximum increase will remain 10% of the firm fixed CLIN unit price.

**125. Question:** All drawings provided on this CD marked with Distribution Statement A (particularly packaging) are authorized for public release. Therefore, prior approval from Rock Island is not

required to release these documents and we can proceed with submittal of these drawings to our vendors/suppliers (both domestic and foreign). Is this correct?

Please advise whether our understanding is correct for each type of document. If not, please provide clarification. Of course, we understand that dissemination to foreign vendors/suppliers is contingent upon request and approval of U.S. State Department Export Licenses for technical data.

**Answer:** Prior approval is not required to release Distribution A documents, nor to release Distribution D documents to “qualified” US Contractors who may be potential subcontractors. Release of Distribution D documents via export will require the appropriate export documentation (reference question 114) and authorization from PM MAS.

**126. Question:** The current Past Performance information collection process appears to involve obtaining subjective information from non-Government third parties. Is this an accurate assessment?

**Answer:** No, the Government will obtain Past Performance information only through the Offeror’s own proposal and from Government third parties.

**127. Question:** The Payment clauses at FAR [52.212-4\(i\)\(5\)](#), [52.232-25\(d\)](#), [52.232-26\(c\)](#), and [52.232-27\(l\)](#) require that, if the contractor becomes aware that the Government has overpaid on a contract financing or invoice payment, the contractor shall remit the overpayment amount to the Government. A contractor may be suspended and/or debarred for knowing failure by a principal to timely disclose credible evidence of a significant overpayment, other than overpayments resulting from contract financing payments as defined in [32.001](#) (see [9.406-2\(b\)\(1\)\(vi\)](#) and [9.407-2\(a\)\(8\)](#)). Under the RFP it is conceivable that the USG will order a CLIN item at the beginning of the USG fiscal year, take possession of the ordered items, and pay for them prior to placing an additional order for the same CLIN item. If the subsequent option order causes a CLIN item unit price reduction (higher quantity range pricing), reducing the price of already delivered and paid for CLIN items will result in an overpayment situation for the contractor. Is the USG willing to adjust their CLIN item reduction procedure in such a manner as to apply the total reduction due the USG for quantity discount to the newly ordered rounds? (Note the intent is not to change the amount of reduction due to the USG for quantity discounts, but rather which rounds the discount is recovered against)

**Answer:** In our answer to question 123, the Government stated that in the formal RFP we will change the option clause to state unit prices will be determined by adding the quantities exercised on that action to any previous option exercised on that applicable DODIC/CLIN within 180 days. This makes it highly unlikely that a quantity will be put on contract, delivered, and paid for in this 180 day time period. The Government cannot apply the total reduction for quantity discount pricing to the newly ordered rounds as we may have different customers (i.e. Army, Navy) and the customer who made the initial order would not reap the benefits of the new lower price.

**128. Question:** Page 3, Paragraph 10. Will the USG consider shortening the time period during which the orders will be added together for cumulative range pricing to match more realistically what the contractors will be able to obtain in the market place?

**Answer:** Reference the answer to question 123.

**129. Question:** Page 101, Paragraph IS7011. Will the bidders be required to identify their base copper price in their proposals and must it be the same for all optional ordering periods?

**Answer:** Yes.

**130. Question:** Would MAST (as an ARMS tenant) be allowed to use LCAAP testing facility on a Purchase Order basis under this procurement? We currently have testing for some of our ammunition products performed by LCAAP under a P.O. basis. Is the intent of the Second Source to not have any production come from LCAAP in the event of a catastrophic event or other? In this case, we could conduct testing somewhere else. It would be easiest and most convenient to have some testing conducted at LCAAP.

**Answer:** No, in the example provided above, MAST would not be allowed to use LCAAP testing facilities.

**131. Question:** Page 123 SF-3 TDP Demonstration & Compliance. While instructions for completing DD Form 1423 are included with the draft RFP, the CDRLs were not. What is the actual definition of “demonstration and compliance of the USG TDP” prior to the award? Furthermore, how can any contractor demonstrate compliance with the Enhanced Lethality Round at this point?

**Answer:** Reference the answer to question 121.

**132. Question:** Section A, Page 3, paragraph 7. Section A-7 of the Solicitation indicates that Lake City is not an approved place of performance and use of government equipment at LCAAP is not authorized. However, use of ARMS tenants at LCAAP is authorized. Why can't a specified portion or percentage of the excess capacity currently at LCAAP be utilized on the follow-on SCSS contract in order to maximize competition thus reducing overall price?

**Answer:** One premise of the Second Source is to have geographical separation of Small Caliber Ammunition production. Also the Government has no assurance that there will be excess capacity at LCAAP in the out years. Therefore, the Government will not approve the use of excess capacity at LCAAP.

**133. Question:** Are there any chances that the Government will require the contractors to deliver more than the maximum base or option quantities for any cartridge family in any option year?

**Answer:** Reference the answer to question 26.

**134. Question:** Paragraph E-5 on Page 58 indicates that Government Furnished Test Support Equipment will be provided to support First Article, Reliability, and/or Acceptance Tests. Overseas suppliers of trace projectiles will need to conduct reliability testing to verify compliance with the U.S. Military Specifications. Based upon your previous response to Question 78 and U.S. Government restrictions on acquiring weapons required in the U.S. Military Specifications, can Government Furnished Test Support Equipment be supplied to the Prime Contractor for shipment overseas for use by the suppliers in reliability testing on the trace projectiles if the overseas suppliers do not have access to these weapons?

**Answer:** The Government will only be providing the weapons and spare parts for full up cartridge testing. No test equipment will be provided for trace projectiles.

**135. Question:** Paragraph F-4 on Page 71 indicates that FAR Clause 52.247-29 F.O.B. Origin is applicable; however, Paragraph F-12 on Page 73 indicates that FAR Clause 52.247-33 F.O.B. Origin, with Differentials is applicable. Are both FAR Clauses applicable to this Solicitation? Are the delivery terms F.O.B. Origin or F.O.B. Origin, with Differentials?

**Answer:** F.O.B. Origin, with Differentials (52.247-33) will be deleted from the solicitation.

**136. Question:** M855A1 Cartridge Drawing 13020533 indicates MIL-DTL-32287 as applicable. However, the TDPLs for DODICS AB56, AB57, and AB58 indicate one or both of the following as applicable:

MIL-DTL-32287 (No Revision Level) dated 00/00/00

MIL-DTL-0032338 (No Revision Level) dated 12/01/2009

The MIL-DTL-32287 is not a valid specification in the ASSIST program. What is the MIL-DTL-32287 and is it a valid specification for the M855A1 cartridge? If NOR R10Q2035 contains the correct specification for the M855A1 cartridge, (MIL-DTL-32338 Revision Level A dated 10/07/2010), should R10Q2035 be identified as an Outstanding Approved ECP in the TDPLs? When the final RFP is issued, will the TDPLs for the M855A1 Cartridge be updated to provide the correct cartridge specification and revision level, or include the NOR R10Q2035 as an Outstanding Approved ECP, and will Cartridge Drawing 13020533 be updated to reference the correct Military Specification?

**Answer:** Cartridge M855A1, Drawing 13020533 will be updated to reflect the MIL-DTL-0032338.

**137. Question:** We are concerned about the potential near-term fluctuation in the cost of nitrocellulose being sold out of the Radford Army Ammunition Plant to St. Marks Powder. We request wording similar to the following be added to the Second Source RFP. "If the current competition for operation of the Radford Army Ammunition Plant results in a different nitrocellulose price, negotiations will be opened for the impact of the resulting GD-OTS SMP propellant price. This is limited to any change directly associated with the change in NC price."

**Answer:** The Government is considering a reopener clause for Nitrocellulose.

**138. Question:** Final processing of Antimony Sulfide occurs in the United States. Raw materials are obtained from outside the NTIB. We feel this makes this product NTIB produced. Does the Government concur?

**Answer:** Reference the answer to question 103.

**Please note that the answers to previously asked questions may have been revised and are noted as "Revised Answer."**