

DSCP TRICARE REGION # 12 STATEMENT OF WORK

- PURPOSE OF SOLICITATION.** The Defense Supply Center Philadelphia (DSCP), Directorate of Medical Materiel is hereby soliciting proposals to select a Primary “Prime Vendor” Supplier and a Secondary “Prime Vendor” Supplier of pharmaceutical products for Government medical treatment facilities in TRICARE REGION # 12 :

Region	Coverage Area
TRICARE # 12	SUB REGION PACIFIC: Okinawa, Guam and Korea SUB REGION ALASKA; STATE SUB REGION HAWAII: STATE includes Kwajalein Island

Offerors may submit proposals on any or all of the Primary and/or Secondary Suppliers segments of this solicitation for which it is eligible. In the event that an offeror submits proposals for both segments of a particular Sub region and is selected for an award, it will be awarded only one of the two segments in the Sub region.

The PS and SS contracts will be independent of each other, e.g., a termination of one contract will not automatically terminate or expand the scope of the other.

NUMBER OF POTENTIAL AWARDS: Each of the Government Medical Treatment Facilities (MTFs) in the above Sub Regions currently have only one Prime Vendor Supplier of pharmaceuticals. Under this solicitation, the Government can award one Primary supplier (PS) contract for each of the Sub-Region areas covered in the Tricare # 12 Region, a maximum of 3 awards, one covering the Pacific Sub Region, one covering the Alaska Sub Region and one covering the Hawaii Sub Region. A secondary Supplier (SS) contract for each of the sub Regions in Tricare # 12 will also be made, if it is considered to be in the best interests of the Government based on evaluation of business and technical proposals submitted in response to this solicitation. Each region’s PS and SS contracts will be independent of each other, i.e., a termination of one contract will not automatically terminate or expand the scope of the other.

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1. Scope

a) Applies to the Alaska and Hawaii Sub-Region only. The Primary Supplier (PS) shall deliver the pharmaceutical products to the Medical Treatment Facilities within its Sub Region for which it has been authorized as a distributor under a DSCP Medical Distribution and Pricing Agreement (DAPA) or under an Indefinite Delivery Type Contract (IDTC) or Department of Veterans (DVA) Federal Supply Schedule (FSS). Each Sub Regional PS is responsible for providing normal day –to-day pharmaceuticals requirements as well as the applicable Sub Regions Preplanned Surge requirements. At the time of award of the PS contract(s), DSCP will provide the PS with a listing of all DAPAs and IDTCs. In the event a Secondary Supplier (SS) is also selected, the SS shall meet all of the requirements of this SOW and solicitation, except as noted herein, and the Government shall provide the SS all of the information furnished to the PS.

b) As stated previously, the schedule contains a provision to allow offers for a SS. Such an offer is optional. However, any proposal submitted on this "back-up" contract is subject to the same proposal evaluation as performed for the selection of the PS. An award for the back-up is not mandatory.

c) The function of SS is to fill orders or partial orders that cannot be filled by the PS. It is estimated that the value of such sales under the secondary contract may range from zero to 5% of the total sales estimated for this region. Examples of complete or partial orders for which the SS may receive orders are:

- (1) items out of stock;
- (2) items on manufacturer backorder;
- (3) items for which usage data was not supplied;
- (4) items for which partial shipments were made; and
- (5) items for which current demand exceeds prior usage.

Note: All examples are based on “kills” (of varying degrees) by the PS.

d) The SS shall not be responsible for backing up PS on Surge.

e) The "Prime Vendor" or "Contractor" phrase used throughout this SOW refers equally to both the PS and the SS.

f. Applicable to the Pacific Sub Region only. (Delivery of orders)

For the Pacific Sub Region the contractor shall provide all of the Pharmaceutical products for which the contractor has been authorized as a distributor under the DSCP Medical Distribution and Pricing Agreements (DAPA), Indefinite Delivery-Type Contract (IDTC) or Department of Veterans Affairs (DVA), Federal Supply Schedule, (FSS). The contractor shall package each order and offer it for transportation to the designated government carrier (s) servicing the contractor distribution facility in accordance with the terms and conditions set forth in the contract.

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For the Pacific Sub Region the contractor will act as a government transportation agent and will take the following actions for each shipment that will be picked up by the Government carrier, in addition to the other requirements of the SOW:

(i) Consolidation of Items. The contractor shall consolidate items for a single MTF into larger air shipment configuration in accordance with the regulations of the International air Transportation Association (IATA);

(ii) Bill of Lading (BL). The Contractor shall prepare a BL for each shipment as shown in Attachment #I

(iii) Electronic Air Freight Bill of Lading (EBL). The contractor shall create and transmit an electronic air freight bill of lading, Transaction set 858, Shipment Information.

(iv) Notification. The contractor shall notify the Government-designated carrier for pick-up of cargo by the carrier.

(v) Hazard Communication standard 29 CFR 1910-1200 et seq.

Note: For a complete explanation of (i),(ii), and (iii), an electronic shipment notice diagram as well as an explanation of each step of the electronic shipment notice diagram see Attachment # I on pages 86 thru 90.

For the Pacific Sub-Region any necessary training and related certification for offering cargo to the designated Government carriers will be provided to the contractor by the Government at no cost to the contractor. Each BL must be prepared by the contractor prior to pick up of the shipment by the Government designated carrier. Prior to placement of the first order under the contract(s), the contractor will be informed in writing of the government carrier(s) that have been assigned to the contract (s). During the term of the contract, the Government reserves the right to change carriers. The contractor will be informed of any change in the Government carrier by the contracting officer at least 10 days prior to the change.

Note: within Tricare Region 12, the Alaska and Hawaii Sub-Regions are considered part of the "Continental United States" (**Conus**) and the Pacific Sub-Region is considered "outside Continental United States" (**Oconus**)\

g.) Delivery of Schedule III, IV and V Controlled Substances.

If so authorized by the DEA, the Contractor shall also make available and provide overseas delivery of Schedule III, IV, and V controlled substances to authorized ordering facilities in the Pacific Region. Excluded from this requirement are refrigerated/frozen controlled substances.

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2. Items Covered.

a) Only items appearing on a DSCP Medical Pharmaceutical DAPA, IDTC, or Department of Veterans Affairs (DVA), Federal Supply Schedule, (FSS) shall be ordered and delivered under this contract. The Prime Vendor shall furnish the product from the specified DAPA, FSS, or IDTC. All items are brand name specific or generic commercial products that are identified by the manufacturer's commercial item descriptions. All items conform to the manufacturer's commercial specifications. The average pharmacy formulary at the larger activities cited under the contract consists of approximately 1600 line items.

b) Price Stabilization.

(1) The Prime Vendor shall "download" the DSCP Distribution and Pricing Management System (DMS) database by the 11th of each month; the effective date of any revisions to DAPA items granted to customers ordering under this contract shall be the first calendar day of the following month (e.g., prices downloaded on the 11th of June shall be available to the customer on 1 July)

(2) Notwithstanding the foregoing, a price decrease may be effective sooner, provided the DAPA holder and the Prime Vendor agree. In this case, however, the DMS database and other DOD data repositories will reflect the higher price; only the Prime Vendor's electronic catalog will display the correct, lower price. The price shown on the confirmation shall be the correct, lower price. Similarly, new items may be available through the Prime Vendor's distribution system before the effective date if:

- i - a DSCP Contracting Officer has added the item to the DAPA or a VA contracting officer has added the item to the FSS and
- ii - the Prime Vendor and the DAPA holder agree.

c) Denied chargebacks between the Prime Vendor and the DAPA/FSS holder due to a conflict between the price shown in the DSCP DMS database and the price alleged by the DAPA/FSS holder during the chargeback request are subject to resolution by DSCP within the meaning of FAR 33.2. In no event shall the Prime Vendor go back directly to the customer for the adjustment.

d) Usage data is that information provided by the customer to the Prime Vendor which will establish the Prime Vendor's inventory levels on individual products for that customer. Usage data shall be provided by the ordering activity, only, during the implementation period and will be reviewed by the customer and the Prime Vendor at least periodically; a 30 day notification period is required for the Prime Vendor to stock a product. However, the Prime Vendor, in communication with the customer, is urged to consider, and to provide status, on a lesser period of time. If requested, the Prime Vendor shall assist the customer in conducting semi-annual reviews of usage data.

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e) For those products in the DSCP DMS database identified by a single NDC number, but yet available from more than one DAPA/FSS holder, the Prime Vendor shall recognize the DAPA/FSS number as denoting customer preference.

f) For those DAPA /FSS holders, which are identified as Small or Small Disadvantaged Business concerns by DSCP in the DSCP DMS database, the Prime Vendor shall not require more than a maximum of \$1 million of product liability coverage per DAPA/FSS holder.

g) The Prime Vendor shall agree to establish a **Regional DAPA** after award. This will make available to the customers those commercial items inventoried by the Prime Vendor, but not on any other DSCP DAPA or IDTC. The selling price for the item, exclusive of any Prime Vendor's distribution fee or DSCP Cost Recovery Factor, **shall be the lower of**

- i - the Average Wholesale Price (AWP)* less 15%; or
- ii - the price shown for the item in the Prime Vendor's Price and Product Catalog.

*Note that the AWP is that of First Data Bank's as published in the current edition of the "Essential Directory of Pharmaceuticals" (the Blue Book).

3. Ordering Offices.

a) The participating ordering activities, also referred to as "customers" in this SOW, specified in the attachment will act as ordering offices for the normal day-to-day requirements, in accordance with the terms and conditions set forth in the contract. The ordering offices for the Surge Requirements are **the United States Army Medical Materiel Agency (USAMMA) and the Air Force Medical Logistics Office (AFMLO), both of which are located at Fort Detrick, Maryland.** The addresses of these facilities appear in Section 16. Orders may be placed up to and including the last day of the contract period for both the normal day-to-day requirements and the surge requirements.

b) Based on changing domestic conditions and realignment of the DoD, during the term of this contract and for any subsequent option periods thereof, DSCP reserves the right to add ordering activities to or delete ordering activities from those listed on Attachment # III. Any such additions or deletions made by DSCP will occur within the geographical area identified in this solicitation. Such additions or deletions may result in a significant increase or decrease in the Government's contract estimate.

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c) Readiness Needs and Developing Programs.

During the term of this contract, including option periods, the Government reserves the right to add military facilities as ordering and receiving activities that have special readiness requirements. In addition, ordering facilities already covered under this contract may need to fulfill new, special readiness requirements in addition to those outlines in this contract.

In order to support such a separate, new readiness need or program undertaken by a military facility, the Government may require significant changes such as different shelf life requirements, the use of a different ordering system (for example, the use of phones/facsimile rather than EOE) and /or extended delivery. This is not an exhaustive list or prediction of what Government needs or programs may develop. Contractor support for such a readiness effort will be negotiated separately with the contractor, and will be effected through either a bilateral modification or an equitable adjustment to the contract.

d) Ordering will be accomplished as described in either paragraphs 7 or 8 of this statement of work. All Prime Vendors must be able to accommodate either process. The preferred method is described in paragraph 7b, entitled "EDI Ordering". Prime Vendors may be required to allow both ordering techniques to be used concurrently on an individual contract.

4. Implementation Plan.

a) The Prime Vendor must submit a plan to the Contracting Officer outlining how it intends to implement the Prime Vendor Program at each of the activities listed under the contract within 15 days after receipt of award notification. The contracting officer shall approve, conditionally approve, or disapprove the plan within 10 days. The Government reserves the right to require additional plans if the initial submission(s) are not approved.

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5. Transition Period.

a) In the event this solicitation results in an award(s) to a different Prime Vendor than the current Prime Vendor for this region, the Government intends to: (i) make the award(s) approximately 90 days prior to the expiration date of the incumbent contract and (ii) establish a time phased transition schedule during the incumbent contract's final 60 days. During the implementation period, the incumbent Prime Vendor shall remain the primary Prime Vendor. Conversion must be accomplished within the transition period. Failure to complete the conversion within the transition period may result in the contract being terminated for default.

b) In order to take into account the transition period, the contract shall begin on the date of award. Notwithstanding the date of award, the effective date of the contract shall begin on the date of the first order and shall end 24 months later. This means the base period may exceed 24 months, in order to take the transition period into account, as set forth in paragraph 5a above. Thereafter, each option period, if exercised, will begin on the anniversary of the base period ending date. Each option period will be a 24 month period.

c) After award and approval of the implementation plan(s), and until the expiration of the incumbent contract, the Contracting Officer, the PS and the SS shall ensure that all hardware, software, usage data, and anything else needed to guarantee successful contract performance are in place.

d) From the approval of the implementation plan until the effective date of the contract, the incoming PS may serve as a "back-up" to the incumbent Prime Vendor in those cases where an incumbent cannot fill an order (cf. para 1(c)(1) above).

e) For the secondary source selected under this acquisition, there shall be no ordering until the effective date of the award.

f) All contract costs associated with the transition period shall be borne by the Prime Vendor.

6. Award Announcement.

a) The Government reserves the right to require the successful offeror to participate in a ceremony to commemorate the award of the contract. The location, date and time of the ceremony will be coordinated with the Prime Vendor, DSCP and facilities within the region.

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7. Methods of Ordering

a) On-Line Electronic Order Entry (EOE) System:

(1) Possess a fully operational on-line EOE system which the ordering facilities under the contract can access.

(2) The EOE system shall accommodate the ordering activities' assigned delivery order numbers.

NOTE: An individual delivery order number will be assigned to each order by the ordering activity at time of placement of each order. Each delivery order number will contain 17 characters consisting of the 13 character contract number, e.g. SP0200-96-D-7077, plus a 4 character supplementary identification number, e.g. B001. The 13 character contract number will remain fixed for the entire term of the contract. The supplementary number will be unique for each order and may be any combination of alphas & numerics. The contractor's EOE system may cite either the entire 17-character delivery order number (SP020096D7077B001) or only the last 4-character supplementary order number (B001).

(3) The contractor's EOE system shall include an electronic "price and product" catalog listing all items under the DSCP Pharmaceutical Prime Vendor Program, i.e. all items appearing under a pharmaceutical DAPA or IDTC. This electronic catalog must be available within 60 days following receipt of a copy of DSCP Medical's pharmaceutical DAPA and IDTC database. The price and product catalog must be viewable on each ordering office's PC and must provide search capability based, at a minimum, on generic product name and National Drug Code (NDC). Only Program items are to be listed on the contractor's electronic catalog available for viewing to the ordering activities. As an alternate, non-program items may be shown provided the contractor's electronic catalog distinguishes between program and non-program items. In addition, the electronic catalog must identify items that are drop shipped and items on its regional DAPA. The ordering activity must be able to place its order to a single contractor order receipt point and shall not have to distinguish between the contractor's divisions when placing an order.

(4) If the contractor's catalog resides on the PC, catalog updates must be transmitted electronically .

(5) The prices cited in the contractor's on-line "price and product" catalog shall represent the "delivered" price for each product. The delivered price will consist of the following:

- (a) the price of the product itself, as negotiated and published on a DSCP Medical DAPA or IDTC, plus
- (b) the contractor's distribution fee, plus
- (c) the applicable DSCP administrative fee.

Example: Product Price	\$100.00
Contractor's Distribution Fee (1.0%)	x 1.01 (%)
Subtotal	\$101.00
DSCP Administrative Fee (1.3%)	x 1.013 (%)
Delivered Price	\$104.13

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At the time of award, the contractor will be furnished the current DSCP Medical administrative fee. The contractor will be informed of changes in the DSCP Medical administrative fee during the term of the contract. Note there is a difference between the DSCP Conus and Oconus Administration fees.

NOTE: All participating ordering activities and DSCP Medical will provide the dedicated telephone lines at their own expense.

(6) For contractor-owned software and/or hardware furnished to ordering activities, the contractor shall be responsible for installation and maintenance. All such software and/or hardware shall remain the property of the contractor and will be returned to it at the conclusion of the contract. Any changes to the software must be provided to the Contracting Officer at least 60 days in advance of the planned implementation of such changes.

(7) For contractor-owned hardware, emergency service & repair calls shall be made on an unlimited basis at no additional cost to the ordering activities. Upon receipt of notice that any part of the contractor-owned equipment is not functioning properly, the contractor shall, within **48** hours in the Alaska and Hawaii Sub-Region and **72** hours in the Pacific Sub-Region after notification by the ordering activity, furnish a qualified representative to inspect the equipment & perform all repairs and adjustments necessary to restore the equipment to normal and efficient operating condition. If repair is not feasible, the contractor shall provide replacement equipment. By either repair or replacement, the ordering facility shall not be without an on-line EOE system for more than **48** hours (Alaska Sub Region/Hawaii Sub Region), and for more than **72** hours (Pacific Sub-Region)

NOTE: The contractor shall not be responsible for any repairs or replacement parts caused by neglect of ordering activities' employees, such as improper application, maintenance, or alteration, or by factors external to the equipment such as deficiencies in air conditioning, humidity control or electrical power. Repairs necessitated by abuse, neglect, vandalism, and Acts of God shall be performed under separate purchase order issued by the ordering facility and shall not be performed under this contract.

(8) Although DSCP Medical will not be an ordering activity under the contract, the contractor shall provide DSCP Medical with the ability to access its EOE system, including its price and product catalog. DSCP Medical will provide the necessary computer hardware unless the contractor furnishes the necessary hardware at no additional cost.

(9) The Prime Vendor may conduct a demonstration of its EOE system at DSCP in Philadelphia, before or after award, at the Contracting Officer's discretion. If the demonstration is required before award, the provisions of clause 52.215-9P10, entitled "Operational Capability Demonstration" will apply.

(10) As part of the ordering process, the customers must be able to select its item based on both a 13 character DAPA number and an NDC/UPN/Part number. If a Prime Vendor's electronic order system requires a proprietary item identifier as a basis for item selection, within 30 days after award, the Prime Vendor shall create a database or spreadsheet cross-referencing the proprietary item code to its corresponding DAPA number and NDC/UPN/Part number.

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This "table" shall be provided to the customers using the electronic order entry system. Periodic updates, on at least a monthly basis, shall be provided to each customer using the EOE system directly. To facilitate this update, the prime vendor may supply the revision in either an ASCII data file transmitted electronically or in any common spreadsheet or database suitable for copying to a diskette and mailed.

b) EDI Ordering

1) All Prime Vendor contractors will implement EDI ANSI X12 850 Purchase Order and 855 Purchase Order Acknowledgments defined in the Federal Implementation Convention (FIC), version 4010, in accordance with the enclosed DoD Medical Prime Vendor EDI Implementation Guidelines, Version 4010_1. Note that the Government reserves the right to upgrade to a higher FIC version during the course of any contract. These standards require:

i - The product number on the order confirmation must match the product number on the purchase order. If an NDC is sent to the Contractor on the 850, an NDC must be returned to the customer on the 855. In the case of a UPN, if a UCC is sent to the Prime Vendor, a UCC must be returned on the 855, and if a HIBC number is sent on the 850, a HIBC number must appear on the 855. The only exception to this rule is for pre-authorized substitutes.

ii - Each product number (NDC, UCC, HIBC) may have a seven position alpha-numeric DAPA number identified on the 850, as a further refinement of product to source of supply identification. If this DAPA identifier appears on the 850, it shall appear on the 855.

iii - The 855 will contain the delivered price of each item ordered, which consists of the price of the item, the Contractor's distribution fee, and the DSCP cost recovery factor, as previously described in paragraph 7(a)(5) of this statement of work.

iv - The Implementation Guidelines require 2 types of customer identifier coding on the 850:

a - Senders code (segments ISA, GS, and N9)

The use of DUNS, where the DUNS is the unique number assigned by Dun & Bradstreet to the ordering activity at the facility level.

b - Customer Identification code (segment N1)

the use of a 6 position alpha-numeric identifies the ordering points within a single MTF. This number may also be known as a DODAAC, as stated elsewhere in this contract.

Both the sender code and customer identification codes will be provided to the Contractor 5 business days prior to the implementation of a 4010 map.

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v - Within both the 850 purchase order and the 855 purchase order acknowledgment, a separate line item shall identify each product on the order. The integrity of the line item number must be maintained between the 850 and the 855.

vi - Status codes identified on page 3-16 of the DoD medical Prime Vendor EDI Implementation Guidelines, Version 4010_1 shall be used on the 855 for each line item ordered on the 850.

vii - A test account for use by the Government's systems consultant and integrator for testing the ANSI x12 version 4010 850 and 855 shall be provided within 15 days after date of award. Testing will consist of actual transmission of "dummy orders" and the return of appropriate confirmations from the prime vendor in accordance with the scenarios recorded in appendices B through E of the DoD medical Prime Vendor EDI Implementation Guidelines, Version 4010_1.

2) Within the Continental United States (CONUS), Hawaii, and Alaska, the electronic orders from the ordering point and the acknowledgments from the Contractor will be transmitted through the government Value Added network (VAN). The services of the Defense Automatic Addressing System Center (DAASC) located in Dayton, Ohio, as the government VAN will be provided on a no cost basis to the Contractor. DAASC will serve as the single Government VAN for all DoD MTFs. If a Contractor chooses to use a commercial VAN, the Contractor shall be responsible for paying all interconnect fees and transmission costs.

For ordering points outside CONUS, the Government will transmit all orders to the Contractor via DAASC. The Contractor may connect to DAASC using FTP, asynchronous or bisynchronous modem dial-up. Alternatively, a Contractor may connect to a commercial VAN/ISP (Internet Service Provider), which must connect to DAASC. A toll free number will be provided to the Contractor for dialing into DAASC. If a Contractor chooses to use a commercial VAN/ISP, the Contractor shall be responsible for paying all interconnect fees and transmission costs.

Note that regardless of the location of the ordering point, a commercial VAN or ISP must be able to communicate with the ordering point through DAASC.

The Contracting Officer shall identify the COTR responsible for providing technical information on connections to the DAASC VAN.

3). All DoD MTFs not yet converted to EDI ordering and non-DoD ordering points shall continue to use the EOES as specified in the contract.

4) The Government reserves the right to favorably consider any future technological improvement to the scope of this contract.

5) For EDI ordering, all ordering facilities will provide their own PCs, modems and printers unless the contractor furnishes equipment to such ordering activities at no additional cost. Maintenance and repair of non-Contractor furnished hardware and software shall be the responsibility of the ordering facility

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8. Mechanics of Ordering Method.

a) For proprietary electronic order entry system described in paragraph 7(a) above, the Contractor shall provide a personal computer (PC) for each ordering site on the contract. The PC shall be configured with a modem or network interface card depending on either of the two options below:

i - The PC may support a web- or Internet- based ordering system accessible via any standard web provider. This application must support Netscape Communicator version 4.5 or higher, which is the only DOD approved browser and must be easily accessible to the ordering facility. The Web Page must not use mobile code based on ActiveX®. The system must operate across site web proxy/cache security systems. The application must allow the ordering facility to perform item queries, place orders, and pull order acknowledgments. The application must allow performance of all the actions described in paragraph 7(a), e.g., the ability to use a 17 character delivery order number and to display a “delivered price”. The account must be password protected and run in secure socket layer (SSL) mode. Synchronization of password changes will be coordinated between the vendor and the customer. The prime vendor must provide a system “help desk” and a telephone number (toll free, in those countries where toll free dialing exists) or an e-mail account for the customer to use when contacting the help desk. The ordering facility must be able to obtain training on the application both on-line and from its customer service representative. **NOTE:** This paragraph (i) is the only application to be used in the **Pacific Sub-Region**.

ii - As and alternate to (i) for the Alaska and Hawaii Sub-Regions only, the PC will contain a turn-key ordering solution to include: electronic order entry system (EOES), a modem with a data transfer speed of not less than 56.6 kbs., and communication software to connect the EOES to the contractor’s data-center. The contractor will provide a toll-free number (for those countries where toll free dialing exists) for the ordering point to perform EOES maintenance, place orders and pull delivery order acknowledgments

iii – For either proprietary system, initial, and refresher, training as necessary shall be available on an as needed basis.

b) EDI ordering, described in paragraph 7(b) above, will be used at those sites listed in this solicitation that have implemented **DMLSS (Defense Medical Logistics Standard Support)** Release 1.03 or later, which is a tri-service standard medical logistics automated information system with enhanced ordering capability. For these sites, the Contractor's proprietary electronic ordering system (EOES) will be unnecessary in the order process.

c) The order mode will be determined as follows:

i – EDI ordering for most day to day ordering by DoD facilities using the method described by paragraph 7(b). This is the preferred method of ordering for DoD ordering sites.

ii – EOES ordering (cf. para 7(a) above) is for items not orderable via the EDI method by DOD customers. These typically include items available on the regional DAPA, as described in paragraph 2(g); items for which incentive pricing is available; and purchases unable to be processed on EDI order (e.g., an order using a credit account in accordance with paragraph 14 (c) of this SOW).

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iii – for non-DOD ordering sites, there is no preference. If a non-DOD customer elects to order using EDI, DoD will not supply any technical support in installation or maintenance. The use of DAASC as a VAN is not authorized. Transmission costs and any other costs incurred using EDI (e.g., the cost of transmitting an 850 transaction set) are not defined within this statement of work, and are thus a matter arising between the non-DOD customer and the prime vendor.

d) to support the dual method of ordering for DOD customers, the contractor shall provide a separate account number. Each method will require the assignment of a distinct block of call numbers. As a result, depending on the number of ordering sites, more than one contract number may be assigned to a single ordering site.

e) Periodic maintenance of the EOES price and product catalog shall be the responsibility of the ordering site. Maintenance of the electronic price and product catalog may be automatic or manual, depending on software provided. Contractor will provide training in the performance of maintenance.

f) There will be no prime vendor interface (PVI) for those MTFs for which EDI ordering has been implemented. Hence, proprietary EOESs will be “stand-alone” and no relationship between an EOES and any existing service legacy system (viz., TAMMIS, MEDLOG, MICRO-MICS) need be implemented by any prime vendor.

9. Additional Requirements. The Prime Vendor(s) shall:

a) Fill "Just-in-time Ordering" (JITO) normal requirements, which can be either routine or emergency in nature. Routine orders are required the next business day. An emergency is any unforeseen need requiring an immediate use for direct patient care. An order due to lack of planning by the customer need not be processed as an emergency by the Prime Vendor.

i - Supplies shall be furnished on a "fill-or-kill" basis. If an order for an item cannot be filled by the Prime Vendor when ordered, the request for that particular item will be automatically "killed", i.e., canceled, unless the activity has previously approved delivery of a substitute. However, if the Prime Vendor can partially fill an order for an item, it shall do so and in such a situation the remaining quantity will be automatically "killed", unless the activity has previously approved delivery of a substitute.

ii - Only pre-authorized substitutes can be made under this program.

iii - Unless authorized by the ordering activity, the Prime Vendor shall make only one shipment per order. If more than one delivery per order is authorized, these multiple shipments shall have the same call number and invoice number. If the ordering activity authorizes multiple shipments on a single order, the prime vendor shall submit a single invoice covering all shipments. (See para. 9[m] below). In this case, the preceding individual invoices shall not be transmitted to the paying office, and should be cancelled.

iv – For Routine Orders, the PS shall maintain, at a minimum, a 95% fill rate for all orders. The SS shall not be subject to a minimum fill rate level. Both PS and SS shall submit monthly fill rate reports as required by paragraph 15 of this SOW.

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v - For the purposes of this contract, the fill rate is defined below. The fill rate will be individually calculated on a monthly basis for each ordering activity and shall be based only on those products, ordered by an activity, for which the Prime Vendor has been authorized as a distributor. The Fill Rate requirement is predicated upon ordering activities providing the Prime Vendor with usage data as set forth in paragraph 2(d). The Fill Rate for the first 60 days of the contract term for each individual ordering activity shall be computed, but is exempt from the 95% minimum for that initial 60 day period. The Fill-Rate level will be calculated as follows:

$$\text{FILL RATE} = \frac{\text{LINES TOTALLY FILLED} + 1/2 \text{ LINES PARTIALLY FILLED}}{\text{TOTAL LINES ORDERED} - \text{CONTRACTUAL EXCEPTIONS}}$$

EXAMPLE: LINES ORDERED = 2500
LINES TOTALLY FILLED = 2370
LINES PARTIALLY FILLED = 50
LINES UNFILLED DUE CONTRACTUAL EXCEPTIONS = 50

$$\frac{2370 + 1/2(50)}{2500 - 50} = \frac{2395}{2450} = .977 (x100) = 97.7\%$$

DEFINITIONS:

Lines Totally Filled: Includes any line item for which all materiel ordered was delivered and any partially filled line resulting from an order for which the Prime Vendor is not contractually bound to ship (refer to the Contractual Exceptions below);

Lines Partially Filled: Includes any line item where the quantity delivered is less than the quantity ordered, except where partial shipment results from an order for which the Prime Vendor is not contractually bound to ship.

Contractual Exceptions:

1) Lines not shipped due to manufacturer's backorder, manufacturer's recall, or manufacturer's discontinued items;

2) Lines ordered for items for which usage data was not supplied by the ordering activity;

3) Lines for which the quantity ordered during the current month exceeds the prior month's usage by more than 150%, unless increased usage data on the item was submitted to the Prime Vendor by the ordering activity;

4) Lines for which delivery is excusable as set forth in FAR 52.212-4(f);

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b) In the Alaska and Hawaii Sub Region provide only dated/shelf life products bearing an expiration date/shelf life with at least **6 months** remaining upon delivery to CONUS ordering activities. For those products which have an initial expiration/shelf life of 6 months or less, provide at least 75% of the dating. **In the Pacific Sub Region provide only dated/shelf life products bearing an expiration date/shelf life with at least 12 months remaining upon shipment to the ordering activity, for an activity's normal day-to-day requirements. For those products which have an initial expiration/shelf life of 12 months or less, provide at least 75% of the dating. See paragraph 17 for required dating of all surge requirements.**

c) Accept delivery orders and invoice only for products which are part of the DSCP Medical Prime Vendor Program. Except as described in paragraph 2, the Prime Vendor shall only deliver DSCP Prime Vendor Program items that are on DAPA.

d) Accept receipt of routine orders between the hours of 8:00 A.M. and 5:00 P.M., local (customer) ordering office time, Monday through Friday excluding Federal Holidays.

e) Accept receipt of either emergency orders or surge requirements, 24 hours a day, 7 days per week.

f) Allow the ordering activity to be able to place their order to a single Prime Vendor order receipt point and not have to distinguish between the Prime Vendor's divisions when placing an order.

g) Return an electronic order confirmation via the EOES to the customer within two hours, when the customer places an order using the Prime Vendor's proprietary EOES. When the customer places an EDI ANSI X12 850 Purchase Order, the Prime Vendor will return an 855 Purchase Order Acknowledgment within 1 hour. At a minimum, the EOES confirmation shall include item identification, quantity to be delivered, unit of issue, delivered price, and delivery order number. The 855 confirmation shall be as specified in the implementation guidelines described in paragraph 8. Additionally, if a pre-approved substitute item is to be delivered, it shall be noted on the confirmation. Furthermore, all unfilled or partially-filled items shall be listed. The confirmation shall be capable of being printed at the ordering office.

h) **In the Alaska and the Hawaii Sub-Region**, deliver all routine orders for an ordering activity's normal day-to-day requirements to the receiving location cited on Attachment # III by 5:00 P.M., local ordering office time, on the next business day following placement of the order (normally Monday through Friday) unless the ordering facility has requested an earlier delivery time during the implementation period or has authorized a longer delivery time frame for a specific delivery order. **For the Pacific Sub Region package and offer all orders for non-emergency supplies to the government designated carrier (s) within 24 hours of receipt of the order. Offers for transportation will be made between the hours of 8:00 A.M. and 5:00 P.M., local time at the contractor's distribution facility, Monday through Friday, excluding Federal holidays. Orders received on a Friday will be offered for transportation on the following Monday unless the ordering facility has authorized a longer offer time frame for a specific delivery order.**

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i) in the Alaska and Hawaii Sub-Region deliver all emergency orders for the receiving locations on Attachment # III within 6 hours following placement of the order. However, if both the ordering activity and the Prime Vendor agree, the ordering activity shall have the ability to pick up an emergency order at the Prime Vendor's distribution center.

j) Mark the shipping containers on emergency orders to indicate that it is an emergency delivery. Provide each ordering office with the telephone number and/or pager number of the Prime Vendor's representative responsible for providing this service. In the Alaska and Hawaii Sub Regions, the contractor will provide a minimum of **two (2) emergency shipments per month per customer** with no additional transportation/handling charges to each of the ordering activities. Any additional emergency shipments requested by the ordering activity in excess of **two (2) per month per customer** can be charged to the activity, including all applicable transportation and handling costs, as agreed to between the ordering activity and the Prime Vendor. Any applicable transportation costs shall be added to the invoice as long as they appear on the confirmation. **In the Pacific Sub Region the contractor will package and offer all orders for emergency supplies to the Government designated carrier within 6 hours of receipt of the order in 100% of the cases. The materiel's shipping containers shall be conspicuously marked to indicate that it is an emergency delivery. As stated previously the contractor is to provide emergency service 24 hours per day, 7 days per week and provide each ordering office with the telephone number and /or pager number of the contractor's representative responsible for providing this service. The contractor will provide a minimum of 6 emergency shipments per customer per month at no additional charge to the ordering activity. Any additional emergency shipments requested by the ordering activity in excess of 6 per customer per month can be charged to the ordering activity including all applicable transportation and handling costs as agreed to between the ordering activity and the Prime Vendor. Any applicable transportation costs shall be added to the invoice as long as these appear on the confirmation. Note that the PV's responsibility for handling emergencies in the Pacific Sub-Region is limited to pick/pack only. Responsibility for transportation is described elsewhere. As an alternative, the customers are permitted to use either PV or ESOC, recognizing that PV shipments cannot be effected within 6 hours.**

For the Pacific Sub Region offering denotes performance of necessary shipping action, completion of the CBL, creation and transmission of an electronic air freight bill of lading, and notification of the Government designated carrier(s) for pick-up of cargo by the Government carrier.

k) Deliver all surge and AEF requirements within the time frames cited in paragraph 18 of this SOW. Surge deliveries shall be made on weekends and/or holidays, if necessary, to meet the required delivery time.

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l) Electronically submit an invoice for each delivery order to the payment office cited in the contract in accordance with the ANSI X12 810 Invoice transaction set. All electronic invoices must be transmitted through a VAN. Each trading partner (Prime Vendor & Government) shall be responsible for the costs of its VAN for invoicing purposes.

m) Submit only one electronic invoice per delivery order. Both the PS and SS are cautioned that the use of multiple invoice, for a single order, will result in delays in Payment. PV should prepare a **rolled up invoice**. The total dollar value cited on an invoice shall be based solely on the product prices, as cited in a DSCP Medical DAPA, IDTC, DVA FSS plus the Prime Vendor's distribution fee. The invoice may include additional non-product costs, as long as these appear on the confirmation. Examples of these costs are the handling and/or transportation costs for emergency orders (para. 9 i/j above and taxes not included in product costs (e.g. Federal Excise Tax, if not otherwise included in the unit price of the item). The ordering office's assigned order number consisting of 17 alpha/numeric characters, e.g. SP020096D7077B001, shall be cited in its entirety on the electronic invoice. The Government will make payment via electronic funds transfer to the Prime Vendor's financial institution within the days stated below after receipt of a confirmed invoice, or supplies, if drop shipped, whichever is later.

Alaska/Hawaii – 15 Days
Pacific -- 30 Days

n) Accept drop shipments of items from the DAPA/IDTC holder directly to the ordering activity, provided:

- i - the ordering activity, Prime Vendor and DAPA holder agree to the use of a drop shipment and a delivery timeframe;
- ii - a separate delivery order is placed with the Prime Vendor for the item that will be drop shipped;
- iii - only one delivery per order is made (partial shipments are prohibited);
- iv - only one invoice per delivery order is transmitted by the Prime Vendor and only after confirmation that the materiel has been received by the ordering office; and
- v - the confirmation price shall equal the price actually invoiced.

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"Drop Shipments" are goods available through, but not inventoried by, the Prime Vendor. Contractor is alerted to the fact that the ordering activity is prohibited by law from beginning the payment process before the material is actually received.

o) Provide product recall notification, regardless of level, to the following activities within 2 business days of notification from the manufacturer or its supplier:

- i - each ordering activity;
- ii - DSCP Pharmaceutical Products Group (DSCP-MGB),
700 Robbins Ave.
Phila., Pa. 19111
(fax 215-737-2828 or -8050);
- iii –Joint Readiness Clinical Advisory Board
1423 Sultan Drive
Fort Detrick, Maryland 21702-5013 (mail only)
- iv - Naval Medical Logistics Command, Code 6, Ft. Detrick, MD
21702-5013; (fax # 301-619-3087);
- v - Air Force Medical Logistics Office, Attn: FOM-P, Ft.
Detrick MD 21702-5013; (fax # 301-619-2557);
- vi - U.S. Army Medical Materiel Agency, Attn: MCMR -MMO-TC,
Ft. Detrick, MD 21702-5013; (fax # 301-619-2938).

p) Notify each ordering activity of any manufacturer backordered item on its usage reports, along with an anticipated back order release date, if known.

q) Provide a substitute or different brand or generic product for the specified product ordered only with permission from the ordering activity or the Contracting Officer.

r) When neither the PS nor the SS are able to supply an item because the manufacturer is "limiting" distribution of the item and the orders are both sequentially killed, the activity may, at its discretion, reorder the item from the Primary Prime Vendor under a new call for drop shipment. In this case, all conditions of the drop shipment provision in this Statement of Work applies.

s) For the purposes of establishing a military readiness posture, the Prime Vendor shall be required to provide on a quarterly basis the average monthly usage (based on the quantity of units sold) for both commercial sales and sales under this contract, individually, for all NDCs. An ANSI file containing the NDC and quantity shall be provided to the Contracting Officer within 30 days of the initial request.

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NOTE: PARTS 10 11 and 12 OF THE STATEMENT OF WORK (SOW) APPLY TO SUB-REGIONS ALASKA AND HAWAII ONLY. For the Pacific Sub Region, See Attachment # I.

10. Packing Lists.

a) A packing list/slip shall be enclosed with each shipped order containing the following information, as a minimum: Prime Vendor's name, delivery order number, date of order, itemized list of supplies included in the shipment, quantity ordered, quantity shipped, delivered unit price, and total amount of the shipped order. The product number used in the order and confirmation will be duplicated on the packing slip. The prices shown on the packing list/slip must be identical to the price confirmed back to the ordering office. Discrepancies between the confirmed and invoice prices may result in a delay in payment.

b) When an order contains items requiring special handling and storage, the Prime Vendor shall annotate such items on its packing list with the following statement: "REQUIRES SPECIAL HANDLING AND/OR STORAGE." Examples of the special handling and storage requirements needing such a statement include the following: "STORE BETWEEN 2 degrees - 8 degrees C (35 degrees - 46 degrees F)"; "KEEP FROZEN"; "FLAMMABLE".

c) When an order contains a Controlled Substance, the Prime Vendor shall annotate such items on its packing list with the following statement:

"CONTROLLED SUBSTANCE REQUIRES _____*_____ STORAGE."

- Prime Vendor will enter the words "VAULT" or "LIMITED ACCESS". In accordance with federal regulations, these drugs are identified by a distinctive Controlled Substance Schedule Symbol. This symbol appears only on the immediate container or carton. "VAULT" is to be used for items bearing Symbol C-II; "LIMITED ACCESS" is to be used for items bearing Symbol C-III, C-IV or C-V. Use of the word "narcotics" on shipping containers or packing slip is prohibited.

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11. Preservation, Packaging, and Marking.

a) Unless otherwise specified, preservation, packaging, and packing shall be to a degree of protection to preclude damage to containers and/or contents thereof under normal shipping conditions and handling and which conforms to normal commercial practices, and applicable carrier regulations involving shipment from the Prime Vendor to the receiving locations cited in the contract. Commercial markings not interfering with the clarity or positioning of required markings on containers need not be obliterated.

b) Refrigerated, flammable and other material requiring specialized packaging and marking shall be appropriately packaged and marked in accordance with industry standards. Items requiring refrigeration will be packed with ice sufficient to maintain preservation for up to 96 hours from time of pack. Such packages shall be annotated with the date/time of pack and the date/time that the material must be received into refrigeration.

c) Package all biohazardous drugs, pharmaceuticals, and chemicals as required by law and marked as a biohazard. Such items shall be shipped in separate container.

d) All products discussed in 11(b) & 11(c) above shall be separately shipped as required by statute, regulation, or industry standard.

e) this paragraph only applies to the Alaska and Hawaii Sub-Regions. For the Pacific Sub Region, see Attachment # I.

12. Material Safety Data Sheets and Hazardous Material.

a) Hazardous Material includes any material defined as hazardous under the latest version of Federal Standard 313 (including versions adopted during the life of this contract)

b) Material Safety Data Sheets (MSDSs) are required for all hazardous material delivered under this contract. MSDSs must meet the requirements of 29 CFR 1910-1200(g) and the latest version of Federal Standard 313.

c) Hazard Warning Labels (HWLs): The Prime Vendor shall label the item package (unit container) of any hazardous material to be delivered under this contract in accordance with the HWL requirements of the Hazard Communication Standard (29 CFR 1910-1200 et seq.) unless the material is subject to the labeling requirements of one of the following statutes:

i - Federal Insecticide, Fungicide, and Rodenticide Act

ii - Federal Food, Drug, and Cosmetics Act

iii - Consumer Product Safety Act

iv - Federal Hazardous Substances Act or

v - Federal Alcohol Administration Act or, if the material is not subject to one of the above

acts,

vi – Hazard Communication Standard 29 CFR 1910-1200 et seq.

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d) The Prime Vendor shall obtain MSDSs and HWLs (if required) for any hazardous material it provides under this contract. At a minimum, the Prime Vendor shall furnish MSDSs to the ordering activities and to the receiving points upon initial delivery of any hazardous material; copies shall be furnished to the Contracting Officer, or customer upon specific request. The Prime Vendor shall maintain a file of all MSDSs and HWLs (if required) from suppliers providing hazardous material. The Prime Vendor shall also assure that all hazardous material is labeled correctly.

NOTE: Preservation, Packaging, Packing, Labeling and Marking requirements as well as EBL requirements for the PACIFIC SUB REGION are contained in Attachment # I

13. Training and Sales Visits. The Prime Vendor shall:

a) Conduct a training program before ordering commences and within 30 days of being placed on the contract for any new ordering facility added to the contract. If orders are being placed in accordance with paragraph 7 of this SOW, each ordering facility's staff shall be provided with adequate training on the Prime Vendor's electronic order entry system, including electronic price and product catalog. Adequate training is defined as: "Training sufficient for the participating ordering activity staff to use the order entry system without assistance". Training will be for a minimum of 4 employees at each ordering activity. The training shall include all aspects of the Prime Vendor's EOE system. A contact person and telephone number must be provided in the event additional instruction is necessary.

b) For those ordering sites using a proprietary electronic order entry system, described in paragraph 7, provide 2 sets of any/all existing and available printed training manuals to each ordering activity or provide on-line context-sensitive help capability as an integral part of your electronic Price and Product Catalog and EOE system.

c) Have a Prime Vendor's representative make a minimum of one scheduled sales visit per month to each customer cited as an ordering activity on the contract for the Alaska and Hawaii Sub-Region. **For the Pacific Sub-Region, semi-annual customer visits are required.** The Prime Vendor shall provide a point of contact and phone number to each of the ordering activities to use for customer support problems. A summary list of these points of contact shall be provided to the Contracting Officer. During the scheduled sales visit, the Representative shall ensure that the Contracting Officer representative (COR) is apprised of the visit. This may be done by a personal visit to the COR's office, a telephone call while on Base, or the use of a "sign-in" sheet at the COR's discretion.

d) Appoint an individual to designate a surge point of contact, as described in paragraph 17 (c)(6) of this SOW.

e) At the option of the Government, agree to participate in an annual In-Process Review (IPR), at a location within the geographical scope of this contract, with representatives of the customers identified on the contract and DSCP. Other stakeholders (such as the Service Representatives, systems consultants, etc.) may also be invited to attend. The Prime Vendor's presence shall include the customer service representative(s), required by paragraph 13(c) above.

f) Attend additional visits or meetings that may be requested at the discretion of the ordering facility or Contracting Officer.

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g) Pay the Prime Vendor costs associated with all training, meetings and visits.

14. Discrepant Orders and Returned Goods.

a) As requested by the customer, the Prime Vendor will accept returns for replacement under the following conditions, if the ordering activity still requires the product(s):

- i - products were shipped in error;
- ii - products were damaged in shipment;
- iii - products had concealed shipping damages;
- iv - products did not meet the expiration/shelf life dating requirements of the contract, unless otherwise authorized by the ordering facility or Contracting Officer.

- v - products were recalled, regardless of level of recall, except when the manufacturer's policy states otherwise, in which case the manufacturer's disposition instructions shall be followed;

- vi - excess expiration dated merchandise with either a potent or an expired shelf life remaining from the customer's inventory. Any fee for such a service shall be in accordance with the Prime Vendor's published commercial policy. The fee may be a percentage of the purchase price of the item;

- vii - products where the shelf life has expired and the Prime Vendor has an ongoing return goods program with the manufacturer of those products. The Prime Vendor shall provide the ordering offices with a list of these manufacturers; and

- viii - other conditions consistent with the Prime Vendor's normal return policy.

Discrepant goods will be held by the receiving point subject to Prime Vendor's disposition instructions for not more than 15 days, after which the discrepant merchandise will be returned to the Prime Vendor's address at the Prime Vendor's expense. Expenses incident to the examination and testing of materials or supplies which have been rejected will be the responsibility of the Prime Vendor. If the ordering activity does not need replacement of the returned products, the Prime Vendor shall issue an "open credit" which can be used for any subsequent orders in accordance with applicable laws and regulations. The ordering activity must coordinate the application of this "open credit" with the Prime Vendor. The Prime Vendor will not include this "open credit" amount in its invoice.

b) DSCP will pay the Prime Vendor only for material the ordering activity has received and accepted. Customers must report all discrepancies to the Prime Vendor.

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c) Credit accounts.

i - Based both upon discrepancies in shipments and the receipt of incentive rebates from manufacturers, credit accounts are expected to be created for each ordering office on the contract. The Prime Vendor shall notify both the customer and the Contracting Officer on at least a monthly basis of the amount contained in its account. Customer orders using the credit amount shall be of sufficient value to expend its total value at one time. The customer is expected to communicate its order in such a manner as to ensure an efficient processing of such a credit purchase. This transaction is a business matter between the Prime Vendor and the customer and does not involve the DSCP invoicing and payment system. The Prime Vendor is cautioned that credit purchases shall not result in any ANSI 810 Invoice transaction set, except for those amounts of any order that are not sufficiently covered by the credit amount.

ii **“Reverse Distributor” Program.** During the term of this contract, the Government is considering awarding a “Reverse Distributor” (RD) contract for the return of expired pharmaceuticals owned by MTFs covered by the DSCP pharmaceutical prime vendor program. The RD contract will include a fee to cover the RD’s cost for processing such returns. Returns processed by the RD on behalf of a Alaska, Hawaii or Pacific MTF, may result in the granting of credits by pharmaceutical manufacturers to the MTF or disposal costs. If credits are granted, the manufacturers will advise the Alaska, Hawaii. or Pacific prime vendor contractor(s) of the amount of the credit. The Alaska, Hawaii and Pacific prime vendor contractor(s) agrees to post such credits to the customer’s credit account, less the applicable fee/disposal charges cited in the Government’s RD contract as billed by the reverse distributor. If a contractor receives a sales-volume based allowance from a manufacturer, paid in lieu of out-of-date returned goods credits, then the PV contractor shall allocate a pro rata portion of that allowance to every MTF that purchased the manufacturer's products during the relevant allowance period. A reasonable administrative fee, not to exceed one quarter of the allocable allowance, may be charged by the contractor for its distribution of returned goods allowance. This requirement is not meant to suggest any obligation on the PV contractor to accept outdated stock, but rather it is to provide the benefit of blanket return allowances to Government ordering activities

iii - In the event that any credit amount remains unliquidated for 91 days, the Prime Vendor shall refund this amount in the form of a check payable to the United States Treasury. Check shall be made to the DFAS office shown on the resulting award document; copy of the check or vouchers shall be provided to both the ordering activity and the Contracting Officer.

iv- In the event either the ordering activity or the Prime Vendor fails to liquidate the credit account, described in either paragraph above, the Prime Vendor shall pay interest to the ordering activity's credit account, commencing on the 100th day, at the Renegotiation Act (PL 92-14) interest rates in effect on any outstanding credit balance.

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(d) Reimportation of Drugs—FDA Authorization.

In accordance with FDA authorization, dated November 6, 1997, customers in the Pacific sub-region are authorized to reimport prescription drugs to the contractor in the United States under the following conditions:

i) Drugs to be reimported are excess, mispicked, short dated or recalled prescription drugs returned to the contractor for credit.

ii) Reimported prescription drugs are shipped and stored in compliance with section 501 (a)(2)(B) of the Federal Food, Drug & Cosmetic Act as interpreted under Title 21 of the Code of Federal Regulations Part 205.

iii) Return shipments are examined by a DoD health care professional (pharmacist, nurse, physician) to verify the identity of the drugs and certify that the drugs meet the conditions for returns as set forth in this modification. The health care professional will ensure that contaminated, adulterated and misbranded prescription drugs are not returned because they are unfit for distribution. Expired drugs are adulterated and therefore unfit for distribution. Records of inspections shall be maintained by ordering offices and made available for FDA review as the FDA deems necessary.

iv) Drugs that are outdated, damaged, deteriorated, misbranded or adulterated, outside of drugs subject to recall, shall not be returned, but shall be quarantined, physically separated from other prescription drugs and destroyed. Records of such action shall be maintained by ordering offices.

v) Scheduled drugs are not included in this reimportation authorization.

vi) Only drugs that have been purchased from the applicable prime vendor are authorized for reimportation by that prime vendor under this paragraph. Specifically, only purchases from the PS are to be reimported by the PS, and those from the SS, by the SS.

(e) Reimportation of Drugs—Contractor Responsibilities. The contractor:

i) Shall provide credit and pay shipping charges for materiel being reimported due to the conditions described in paragraph 14 (a)(i) through 14 (v) of the SOW. Also, at the contractor's expense, it may authorize destruction of materiel, eligible for reimportation, but not reimported because it is not deemed cost effective.

ii) May accept for credit materiel offered for return for conditions other than those described in paragraph 14 (a)(i) through 14 (a)(v). However, Government ordering facilities shall be responsible for paying shipping charges for materiel being returned to the contractor, which was not due to a contractor caused discrepancy. The contractor, only after coordinating with the appropriate ordering facility, may subtract the appropriate shipping charges from the ordering facility's credit account.

iii) Shall provide authorization and shipping instructions for materiel to be reimported.

iv) Shall assume ownership of all reimported drugs following reimportation.

v) Shall follow the requirements of 21 CFR Part 205 concerning prescription drug storage, handling, disposition and record keeping.

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(f) Reimportation of Drugs—Ordering Facility Responsibilities. Ordering facilities shall:

i) Perform examination of discrepant materiel as prescribed by paragraph 14 (d)(iii) distinguishing between drugs eligible for reimportation and drugs not eligible for reimportation.

ii) Report receipt of all discrepant materiel to the contractor within 96 hours of its receipt. If drugs are eligible for reimportation, provide the following information via facsimile or e-mail for the items being reimported:

- (1) Item number or NDC;
- (2) Quantity to be returned;
- (3) Dollar Value of items being returned;
- (4) Expiration date of each item;
- (5) Reason for intended return (misspoke, short-dated, etc.)

iii) Destroy drugs not eligible for reimportation in accordance with paragraph 14 (d)(iv). Also, destroy upon authorization from the contractor those drugs eligible for reimportation, but which due to its dollar value, have been determined by the contractor not cost effective to reimport.

iv) Maintain documentation for file, indicating drugs destroyed and drugs scheduled for reimportation.

v) Follow the PV's instructions for storage and handling of product once identified as qualifying under paragraph (d)(i) above. In addition, the customer shall comply with the PVs directions for preparing the commercial bills of lading, packaging of the materiel, contacting the PV designated carrier, and shipment

vi) The MTF shall mail an information copy of the bill of lading to the Import/Investigation Branch of the FDA located in the FDA district where the re-importation of the drug will actually occur. The location of this district, along with a POC, shall be provided by the Contracting Officer to the PS, SS and the Pacific customer base after award.

vii) The MTFs shall provide FDA access to any records of re-imported drugs at FDA's request.

15. Reporting Requirements.

The Prime Vendor shall provide the following:

a) Detailed Monthly Fill-Rate Report:

In accordance with the fill rate formula cited in this SOW, the Prime Vendor shall furnish a monthly fill-rate report to each ordering activity indicating fill-rate percentages for the specific ordering activity. The report shall include for each such activity the total lines ordered, lines filled, lines partially filled, lines not filled (cf., paragraph 9 a) of this SOW), backordered lines, and the calculated fill rate. This report shall also be provided to the three Service Representatives. The points of contact and office codes for the Service Representatives will be provided at time of award. This detailed report shall be submitted to the Contracting Officer.

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b) **Monthly Usage Data.** The following data shall be provided as described below:

FIELD DESCRIPTION	LENGTH
Prime Vendor Contract Number	13
Delivery Order Number (call number)	4
Order Date (DDMMYYYY)	9
Delivery Date (DDMMYYYY)	9
Department of Defense Activity Address Code (DODAAC)	6
Contractor-Assigned Account/Customer Number	v20
National Drug Code (NDC)	11
Universal Product Number (UPN) ¹ (including any + sign) NOTE: The UPN in the 850 and 855 will not contain the + sign.	v20
Manufacturer's Part Number	v17
Manufacturer	V50
DAPA or IDTC Number	V30
Unit Sold	2
Quantity Ordered in Unit Sold	8
Quantity Ordered in Unit Sold ²	8
Manufacturer's Backorder ³	1
Total Price (charged customer) ⁴	9
Special Order Designator D = Drop Shipment S = Stockless R = Surge	1
Delivery Requirement (in business days; less than one business day = 0)	3
Advance Customer Usage Data Provided on Item (Y/N) ⁵	1

¹ UPN includes UCC/EAN (of which the Universal Product Code (UPC) is a subset) or HIBC number.

² Negative value if inventory adjustment.

³ Indicates manufacturer is unable to supply the quantities ordered by the contractor.

⁴ Total Price of the line item including the contractor Distribution fee and the DSCP-Medical Cost Recovery Rate.

⁵ Medical/Surgical contracts only; does not apply to Pharmaceutical Prime Vendor contracts.

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c) **Abbreviated Monthly Fill-Rate Data (PS only).** The following shall be provided to the DSCP Contracting Officer as described below:

Field Description	Length
Prime Vendor Contract Number	13
Beginning of Reporting Period (DDMMMYYYY)	9
End of Reporting Period (DDMMMYYYY)	9
DODAAC (none if for contract rate overall) ¹	6
Calculated Fill Rate ²	5
Contractor-Assigned Customer Account Number (none if for contract overall)	20

¹ May be a Dun & Bradstreet number or any other Government assigned identifier

² Computed in accordance with the formula contained elsewhere in this contract. Field shall contain one character before the decimal point (i.e., 0 or 1), an explicit decimal point, and three characters after the decimal point (e.g., 0.985). Note that a number expressed as 98.5% is not acceptable because it contains a percent sign and more than 1 whole number before the decimal point.

d) The data required in paragraphs (b) and (c) above shall be in this manner:

(i) Data shall be submitted on a monthly basis no later than the 20th day of the month following the month for which the data is being provided (e.g., data for the month of December 1999 shall be provided by January 20, 2000).

(ii) Both data sets shall be provided the Contracting Officer via electronic data transmission (e.g., via FTP

DSCP's Medical modem pool or to a DSCP-owned Internet Site (Such As www.dscp.dla.mil or dmmonline.com) as so directed by the contracting officer or his monthly data usage technical representative. Communication protocol shall be provided to the Prime Vendor prior to the initial transmission.

(iii) Data shall be provided in an up-caret (^) delimited format without dashes or hyphens (-) in the fields. All fields not marked as being variable (letter "v" with a suggested length) shall be of the length specified. All of the fields shall be completed except for the following:

- 1) If an NDC or a UPN cannot be supplied, then the Prime Vendor's catalog number will be supplied.
- 2) Special Order Designator shall only be completed if one of the special order cases, defined by the field entry, applies. If none applies, the field shall be left blank.

NOTE: Submission of Fill rate data to DSCP, (paragraph # c above), in a hard copy printed form and/or via diskettes is unacceptable. Submission of Fill rate data via e-mail is acceptable. E-mail addresses will be given to the successful awardee (s) at time of award. During the term of the contract, if there is a change in the either the data or the mode of transmission to DSCP, an equitable adjustment will be negotiated with the Prime Vendor, as appropriate.

¹ May be a Dun & Bradstreet number or any other Government assigned identifier

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The following section of the SOW (16. Surge Requirements) contains information on required items for the Air Force Surge and sets/assemblies for the Army Surge. For a list of items and/or breakdown of components, prospective offerors are requested to contact the individuals cited on page 1 (the SF1449 form) of this solicitation. Data will be available in a MS Windows 95 (version 3.1) or 97 (version 4.0) Access database. It is not available in any other application or type of file. Hard copies (paper) will not be supplied due to the volume of the data. Providing an e-mail address will result in a quick and efficient response to your request. Otherwise the list of items/breakdown of components will be sent, on a disk, via regular mail.

16. SURGE REQUIREMENTS

I. AIR FORCE "PREPLANNED" SURGE REQUIREMENTS (applies only to the Primary Supplier)

(a) Purpose. The Government intends to use this contract as a vehicle for the rapid acquisition of pharmaceutical items to respond to contingency, wartime, and humanitarian operations. The PS shall have the capability to rapidly provide essential pharmaceuticals within 72 hours after a "Surge" order is received and authenticated.

(b) Applicability. The requirements of this section of the SOW shall only apply to the Primary Supplier. For purposes of this contract, "Preplanned" denotes that the PS will receive 60 days notification of any change in the Surge requirements. The Government reserves the right at any time to add, change or delete the contract's preplanned surge requirements for the Region. An equitable adjustment in the contract price will be negotiated with the PS, as appropriate.

(c) Products. All individual items will consist of commercial materiel listed on a DSCP DAPA/National Contract, a "Regional" DAPA or on a DVA FSS/National Contract. Only individual components will be ordered. **The items to be supplied are included on the disk, hereby made a part of this solicitation, as explained elsewhere in this paragraph.** There will be no requirement for the building or identification of Air Force kits or assemblies. Only components will be ordered. During the term of the contract, item selection may change as well as the total number of items required.

(d) Surge Ordering Points. The PS shall only process Air Force Preplanned Surge Orders that have been approved by AFMLO. If the PS receives a surge order from one of the identified ordering activities on this contract directly, without any approval from AFMLO, the PS shall contact the AFMLO Prime Vendor Surge Contracting Officer Representative at Fort Detrick, MD at telephone # (301) 619 4015 and request validation and approval.

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(e) Ordering.

1. Surge orders may be placed 7 days per week, 24 hours per day, including holidays. The identity of the PS's surge point of contact and a telephone number responsible for accepting orders shall be provided to the Air Force after award. The PS will continue to make this individual known throughout the duration of this contract.

2. Surge orders may be placed electronically in accordance with paragraph 7 of this Statement of Work, telephonically, or by facsimile.

3. The Air Force will provide the "Ship to" address at time of order. This location will be within the sub-region awarded. For example, Andersen AFB may place the order for delivery to another AFB within the Pacific sub-region (e.g., Osan AFB). The "ship to" will not be in a differing sub-region from the ordering point (e.g., Andersen AFB will not order for delivery to Elmendorf AFB).

4. Contractor is alerted to the fact that this contract is rated "DO" under the Defense Priorities and Allocation System (15 CFR 700) and fulfillment of surge orders can be so identified to the PS's subcontractors.

(f) Transportation Requirements.

1. For MTFs within CONUS (Alaska and Hawaii sub-regions)

a) Normal Delivery. The PS must deliver all shipments to the required delivery site within 72 hours of order placement. The method of transportation will be determined by the PS.

b) Premium Delivery. The PS must deliver all shipments within 24 hours of order placement. This delivery is to specified by the ordering location at time of order placement. The transportation expense and payment arrangements for this premium transportation option will be negotiated between the PS and the Air Force at time of order placement. This premium transportation option is available for all orders placed within the US regardless of how the order was placed (i.e., phone, facsimile, order entry system, etc.). The PS must use additional resources, scheduled commercial air carriers, and other means available to the PS to ensure the shipment is delivered within 24 hours. Any additional costs incurred under this Premium Delivery paragraph will be added to the invoice as a separate line item.

2. For MTFs outside CONUS (Pacific sub-region)

a) The PS must deliver each shipment, regardless of weight, to the PS's distribution center(s) dock on an FOB Origin basis for pick-up by a Government supplied carrier, within 24 hours of order placement.

b) The transportation method described in Attachment III of this SOW does not apply to the shipments of OCONUS surge orders. The Pacific surge ordering point for the AF surge will provide information on issuing a commercial bill of lading, identification of and contacting a carrier, etc.

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3. Applicable for both CONUS and OCONUS MTFs. Hazardous items and materiel may require additional handling which may extend the required delivery time frame. Hazardous materiel that can not meet the required delivery timeframes must be identified to the Air Force and the PV must provide the Air Force with an estimated delivery time frame.

(g) Fill-Rate The fill rate shall be 100% for the Air Force Surge .

(h) Expiration Date/Shelf Life. The contractor shall provide only dated/shelf life products bearing an expiration date/shelf life with at least 6 months remaining upon delivery to the Government or 75% of the maximum approved period if it is less than 6 months.

(i) PS Surge Representative. The PS shall designate a single representative for matters relating to preplanned surge requirements. The PS, ordering facility, AFMLO, and the Defense Supply Center Philadelphia (DSCP) Medical Contracting Officer shall coordinate additional administrative details to ensure the effective and timely submission and processing of these orders.

(j) Surge Verification & Substitution. Once the PS receives a Surge Request, the PS shall verify that the request complies with the terms of the current SOW, including all contract modifications. The PS shall report any discrepancies to the DSCP Contracting Officer. Once verified, the PS shall begin filling the orders using specific materiel available under DSCP Medical DAPAs or IDTCs as well as authorized DVA FSSs. While awaiting verification from the DSCP Contracting Officer, the PS should continue to make progress in filling the order, so as not to jeopardize the delivery date(s). If the PS cannot fully support the surge requirement using the specific item, the contractor may use similar DAPA/IDTC/FSS materiel **after coordination and approval from the ordering activity**. In the event only non-authorized materiel is available to support the surge requirement, the PS shall contact DSCP for guidance.

(k) Surge Preservation, Packaging, Packing, Labeling and Marking Requirements.

1. Over-pack container address markings must include the delivery point's six-character (alpha and/or numeric) Department of Defense Activity Address Code (DODAAC) and a "ship-to" address. Commercial markings not interfering with the clarity or positioning of required markings on containers need not be obliterated.

2. A packing list must be prepared and enclosed with each order. The Air Force's items shall marked with NSN and Nomenclature. The contractor shall affix a re-sealable, watertight envelope to the exterior of each box, which contains a packing list of materiel specific to the box to which it is attached. At a minimum, the packing list will contain the NSN, Substitute NSN if applicable with cross-reference to the original NSN being replaced, Nomenclature, NDC, Manufacturer, Unit of Issue, and Total Quantity.

3. A completed Military Shipment Label (DD Form 1387 – white label) must be affixed to each container when specially requested by the ordering activity.

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(l) Scheduled/Controlled Substances: (Applicable to Alaska and Hawaii sub-regions only)

The PS shall develop and implement procedures for ensuring any/all Scheduled or Controlled substances is properly segregated and issued in such a manner which guarantees a clear audit trail is established until the materiel is received by the requesting facility. For scheduled II control items, the ordering office is required to ensure that the appropriate DEA Form 222 is executed and forwarded to the PS's distribution center prior to the expected date of shipment. The PS is not required to ship schedule II items without the DEA Form 222.

(m) Surge Cost of Coverage. If the PS selects to offer a separate price for Air Force surge in the schedule, the following applies:

1) Surge cost of coverage. The surge cost of coverage provides the Air Force with access to their materiel for a 24 month period. If the Air Force draws the materiel down during this period, the PS must replenish the materiel within 30 days of draw down at no additional cost. The cost of coverage does NOT include the purchase price of the materiel, which will be separately paid for at time of order. The effective date for surge provision election is the date that the Air Force invokes the option for a continuous 24 month period. For example, if the option is invoked on April 19, 2000 then the surge coverage will continue through April 18, 2002. After award, for each surge provision, the Air Force will select a PS by payment of the 24 month cost if any. Note: For purposes of surge, each CLIN (e.g., 0001AC) on the schedule is considered a separate Air Force requirement.

2) Access to surge materiel. The PS will be given 24 hours advance notice by the Government prior to inspection of the materiel by the Air Force or by DSCP. The PS must provide the inspection team(s) reasonable and timely access to the materiel at no additional cost to the Government.

(n) Surge Testing:

1. Each Service may test the PV's responsiveness by placing orders against the contract, with or without prior notification, either as a simulated surge (also called a paper test) or by actually ordering materiel for shipment. When a "paper" test is conducted, the PV must provide projected materiel availability results of the simulation without the physical movement of the materiel in accordance with the required delivery timeframes. When the Service actually purchases materiel, the PV must respond as if it were a true military operation and all surge provisions of the SOW will be in effect.

2. Testing (of any type) will be limited to twice a year per Service Program. Joint Chiefs of Staff (JCS) and Commander-in-Chief (CINC) exercises are expected to be part of this testing. Paper tests will be conducted at no additional cost to the requesting Service. If a test requires actual drawdown and delivery of materiel, the PV will only be paid for the cost of the delivered materiel.

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(o) Surge Reporting: The PV must provide the Air Force with a detailed report indicating the distribution center(s) holding the covered surge materiel within **eight calendar weeks from time the Surge option is invoked**. Status reports (i.e., DAPA item changes) for access materiel will be provided electronically to the following e-mail address:

Air Force or AEF: sourcing.sustainment@ft-detrick.af.mil

Navy or Marines: mreading@nml10.med.navy.mil

Army: michael.ryan@det.amedd.army.mil"

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II ARMY PRE-PLANNED SURGE REQUIREMENTS

(ii) **Army.** Below is a list of the type and quantity of Unit Assemblages (UA's) comprising the Army Surge requirements for each of the above-cited regions. The quantities given, represent the maximum number of UA's the Army anticipates ordering within a 31-day period. The PS shall ensure that the UA's are delivered to the receiving activity within three calendar days or 72 hours after receiving the order unless otherwise instructed. The PS shall have the capability to assemble the following quantities of pharmaceutical UA's:

Unit Assemblage	UA Nomenclature	Region	NSN	Fill Rate	Total Nbr UAs	DA Y 3	DA Y 5	DA Y 10
0246	Surgical Instrument Supply Set Individual	Hawaii	6545-01-141-9470	100.00 %	35	13	13	9
0249	MES Chemical Patient Treatment Set	Hawaii	6545-01-141-9469	100.00 %	36	12	12	12
0256	MES Ground Ambulance	Hawaii	6545-01-141-9476	100.00 %	45	25	10	10
0261	MES Patient Holding Squad Light	Hawaii	6545-01-192-1900	100.00 %	2	2	0	0
0264	MES Trauma Field (2)	Hawaii	6545-01-228-1887	100.00 %	26	13	13	0
0265	MES Sick Call (2)	Hawaii	6545-01-228-1886	100.00 %	26	13	13	0
1725	DES Operating Field Lightweight	Hawaii	6545-01-191-8973	100.00 %	2	2	0	0
7035	Dental Supply Emergency Repair	Hawaii	6545-00-753-4875	100.00 %	2	2	0	0
7079	Dental Instrument Emergency Field	Hawaii	6545-00-927-4840	100.00 %	2	2	0	0

- A. For Example: Contractor is required to have after receipt of first order no more than 25 Sets of UA 0256 ready for shipment by Day 1 (72 hours or 3 work days), and another 10 sets ready by Day 5, and 10 sets ready by Day 10 for a Total Minimum UA quantity of 45 sets.
- B. The above quantities are for Contractor work planning purposes, and reflect maximum daily requirements that the Contractor shall be held accountable for any given day.
- C. In each case, the Army or DSCP may order less than the maximum daily quantities referenced above.
- D. The Contractor shall have 72 hours or 3 working days to build the assemblages from the time the Contractor receives the order.

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Unit Asse mb.	UA Nomenclature	Region	NSN	Fill Rate	Total Nbr UAs	DAY 3	DAY 5	DAY 10	DAY 15
0246	Surgical Instrument Supply Set Individual	ALASKA	6545-01-141-9470	95.00%	26	13	13	0	0
0249	MES Chemical Patient Treatment Set	ALASKA	6545-01-141-9469	95.00%	24	12	0	12	0
0256	MES Ground Ambulance	ALASKA	6545-01-141-9476	95.00%	40	10	10	10	10
0261	MES Patient Holding Squad Light	ALASKA	6545-01-192-1900	95.00%	2	2	0	0	0
0264	MES Trauma Field (2)	ALASKA	6545-01-228-1887	95.00%	28	13	10	5	0
0265	MES Sick Call (2)	ALASKA	6545-01-228-1886	95.00%	28	13	10	5	0
1725	DES Operating Field Lightweight	ALASKA	6545-01-191-8973	95.00%	1	1	0	0	0
7035	Dental Supply Emergency Repair	ALASKA	6545-00-753-4875	95.00%	1	1	0	0	0
7079	Dental Instrument Emergency Field	ALASKA	6545-00-927-4840	95.00%	1	1	0	0	0

- A. For Example: Contractor is required to have after receipt of first order no more than 10 Sets of UA 0256 ready for shipment by Day 1 (72 hours or 3 work days), and another 10 sets ready by Day 5, 10 sets ready by Day 10, and 10 sets ready by Day 15 for a Total Minimum UA quantity of 40 sets.
- B. The above quantities are for Contractor work planning purposes, and reflect maximum daily requirements that the Contractor shall be held accountable for any given day.
- C. In each case, the Army or DSCP may order less than the maximum daily quantities referenced above.
- D. The Contractor shall have 72 hours or 3 working days to build the assemblages from the time the Contractor receives the order.

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Unit Assem	Region	UA Nomenclature	NSN	Fill Rate (%)	Total Nbr UAs	DAY 3	DAY 10	DAY 15	DAY 20	DAY 25	DAY 30	DAY 35	DAY 40	DAY 45	DAY 50	DAY 55	DAY 60
0246	PACIFIC	Surgical Instrument Supply Set Individual	6545-01-141-9470	100	891	181	39	8	2	49	47	22	66	149	30	62	236
0249	PACIFIC	MES Chemical Patient Treatment Set	6545-01-141-9469	100	301	75	13	5	10	24	9	33	2	10	13	23	84
0256	PACIFIC	MES Ground Ambulance	6545-01-141-9476	100	583	164	29	0	0	39	11	42	42	124	7	16	109
0261	PACIFIC	MES Patient Holding Squad Light	6545-01-192-1900	100	36	16	2	0	0	2	0	10	0	0	0	0	6
0264	PACIFIC	MES Trauma Field (2)	6545-01-228-1887	100	248	87	14	0	0	15	7	33	7	7	3	16	59
0265	PACIFIC	MES Sick Call (2)	6545-01-228-1886	100	248	87	14	0	0	15	7	33	7	7	3	16	59
1207	PACIFIC	Medical Equipment Set Epiderm Ser	6545-00-935-9882	100	18	5	0	0	0	0	2	1	3	2	0	1	4
1324	PACIFIC	Optometry Equipment Set (R-1)	6545-01-131-2633	100	7	5	0	0	0	0	0	2	0	0	0	0	0
1725	PACIFIC	DES Operating Field Lightweight	6545-01-191-8973	100	49	22	0	0	0	1	0	5	6	0	12	0	3
7009	PACIFIC	Medical Equipment Set Flight Surgical	6545-00-297-0033	100	43	13	0	0	0	1	2	1	5	3	1	7	10
7035	PACIFIC	Dental Supply Emergency Repair	6545-00-753-4875	100	67	22	1	1	2	4	0	7	8	0	18	1	3
7079	PACIFIC	Dental Instrument Emergency Field	6545-00-927-4840	100	127	52	1	0	0	1	0	5	35	0	30	0	3
7115	PACIFIC	Rodent Survey Set	6545-00-952-2175	100	14	7	0	0	0	0	0	3	0	0	0	1	3
7124	PACIFIC	Entomological Kit Field	6545-00-982-4121	100	58	20	0	0	0	0	0	0	12	3	0	7	16

- A. For Example: Contractor is required to have after receipt of first order no more than 164 Sets of UA 0256 ready for shipment by Day 1 (72 hours or 3 work days), and another 29 sets ready by Day 10, 39 sets ready by Day 25, 11 sets ready by Day 30, 42 sets ready by Day 35, 42 sets ready by Day 40, 124 sets ready by Day 45, 7 sets ready by Day 50, 16 sets ready by Day 55, and 109 sets ready by Day 60 for a Total Minimum UA quantity of 583 sets.
 - B. The above quantities are for Contractor work planning purposes, and reflect maximum daily requirements that the Contractor shall be held accountable for any given day.
 - C. In each case, the Army or DSCP may order less than the maximum daily quantities referenced above.
 - D. The Contractor shall have 72 hours or 3 working days to build the assemblages from the time the Contractor receives the order.
- NOTE: Should the need arise, the Government may order the above-listed Army requirements for three regions concurrently. Based on the preceding, if the selected PS for the TRICARE Sub Region Hawaii is the same as for the TRICARE Sub Region Alaska and for the TRICARE Sub Region Pacific, the PS would be required to deliver the ordered Army surge requirements for the TRICARE Sub Region Hawaii, TRICARE Sub region Alaska as well as for the TRICARE Sub region Pacific at the same time.

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The above assemblages shall be built in accordance with the Unit assemblage Planning Document, Time Phased Concept of Support listed below:

Army Unit Assemblage Planning Document Time Phased Concept of Support/TRICARE # 12 ALASKA/HAWAII/PACIFIC SUB-REGION

UA	UA Nomenclature	NSN	Fill Rate	Initial Order Day-Day 0	Time Phase (in Days)															
					1	2	3	5	10	15	20	25	30	35	40	45	50	55	60	
0246	Surgical Instrument Supply Set Individual	6545-01-141-9470	100%				207	26	48	8	2	49	47	22	66	149	30	62	236	
0249	MES Chemical Patient Treatment Set	6545-01-141-9469	100%				99	12	37	12	10	24	9	33	2	10	13	23	84	
0256	MES Ground Ambulance	6545-01-141-9476	100%				199	20	30	10	0	39	11	42	42	124	7	16	109	
0261	MES Patient Holding Squad Light	6545-01-192-1900	100%				20	0	2	0	0	2	0	10	0	0	0	0	6	
0264	MES Trauma Field (2)	6545-01-228-1887	100%				113	23	19	0	0	15	7	33	7	7	3	16	59	
0265	MES Sick Call (2)	6545-01-228-1886	100%				113	23	19	0	0	15	7	33	7	7	3	16	59	
0311	MES Battalion Aid Station	6545-01-100-1675	100%				0	0	0	0	0	0	0	0	0	0	0	0	0	
1207	Medical Equipment Set Epiderm Ser	6545-00-935-9882	100%				5	0	0	0	0	0	2	1	3	2	0	1	4	
1324	Optometry Equipment Set (R-1)	6545-01-131-2633	100%				5	0	0	0	0	0	0	2	0	0	0	0	0	
1725	DES Operating Field Lightweight	6545-01-191-8973	100%				25	0	0	0	0	1	0	5	6	0	12	0	3	
7009	Medical Equipment Set Flight Surgical	6545-00-297-0033	100%				13	0	0	0	0	1	2	1	5	3	1	7	10	
7035	Dental Supply Emergency Repair	6545-00-753-4875	100%				25	0	1	1	2	4	0	7	8	0	18	1	3	
7079	Dental Instrument Emergency Field	6545-00-927-4840	100%				55	0	1	0	0	1	0	5	35	0	30	0	3	
7115	Rodent Survey Set	6545-00-952-2175	100%				7	0	0	0	0	0	0	3	0	0	0	1	3	
7124	Entomological Kit Field	6545-00-982-4121	100%				20	0	0	0	0	0	0	0	12	3	0	7	16	
		Totals:					906	104	157	31	14	151	85	197	193	305	117	150	595	

A. For Example: The Primary Supplier is required to have after receipt of first order no more than 199 Sets of UA 0256 ready for shipment by Day 3 (72 hours or 3 work days), and another 20 sets ready by Day 5, 30 sets ready by Day 10, 10 sets ready by Day 15, 0 sets ready Day 20, 39 sets ready by Day 25, 11 sets ready by Day 30, 42 sets ready by Day 35, 42 sets ready by Day 40, 124 sets ready by Day 45, 7 sets ready by Day 50, 16 sets ready by Day 55 and 109 sets ready by Day 60 for a Total Minimum UA quantity of 649 sets.

B. The above quantities are for the Primary Supplier's work planning purposes, and reflect maximum daily requirements that the Primary Supplier shall be held accountable for any given day.

C. In each case, the Army or DSCP may order less than the maximum daily quantities referenced above.

D. The Primary Supplier shall have 72 hours or 3 working days to build the assemblages from the time the Primary Supplier receives the order.

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(e) "Surge" 100% Fill-Rate/Component Breakdown. All Army Assemblages must be able to be ordered as individual sets. Modules will be individually packaged by the PS and may be ordered by the Government as a separate line item or as part of a set. The PS shall package and pack the assemblies as individual sets and shall provide a 100% fill-rate on all orders. As stated previously, details concerning the components for the the Army Assemblages will be provided in either a text file via e-mail or as a disk via regular mail if requested.

(f) Expiration Date/Shelf Life. The contractor shall provide only dated/shelf life products bearing an expiration date/shelf life with at least 6 months remaining upon delivery to the Government, for the listed surge requirements sets.

(g) PS Surge Representative. The PS shall designate a single representative for matters relating to preplanned surge requirements. The PS, ordering activity, and the Defense Supply Center Philadelphia (DSCP) Medical Contracting Officer shall coordinate additional administrative details to ensure the effective and timely submission and processing of these orders.

(h) Approved Surge Requests. The PS shall only process Army Surge supply requests From USAMMA. respectively. Ordering sites on this contract are not authorized to order surge directly. The Ordering Offices for the Surge Requirements are as follows:

ARMY

1. U.S. Army Medical Materiel Agency (USAMMA)
1423 Sultan Drive
Attn: Commander
Fort Detrick
Frederick, MD 21702-5001

If the PS receives a surge request, but no approval from USAMMA , the PS shall contact the DSCP Contracting Officer or the USAMMA Prime Vendor Surge Contracting Officer Representative at (301) 619-4347 and request validation.

(i) Surge Verification & Substitution. Once the PS receives a Surge Request, the PS shall verify that the request complies with the terms of the current SOW, including all contract modifications. The PS shall report any discrepancies to USAMMA, or to the DSCP Contracting Officer. Once verified, the PS shall begin building the Packages(s), Set(s) or UA(s) using specific materiel available under DSCP Medical DAPAs or IDTCs as well as authorized DVA FSSs. If the PS cannot fully support the surge requirement using the specific item, the contractor may use similar DAPA/IDTC/ DVA FSS materiel as long as the item is functionally equivalent. In the event only non-authorized materiel is available to support the surge requirement, the PS shall contact DSCP for guidance.

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(j) Surge Packaging. The Army’s UA(s) shall be packaged as complete, individual sets. The exterior of the set package shall be marked with the UA NSN” or UA Nomenclature”. In cases where the UA comprises more than one box, the contractor shall mark each box with the “ UA NSN”, or UA Nomenclature”, and “Box Number” (i.e. 1 of 4). The contractor shall affix a re-sealable, watertight envelope to the exterior of each box, which contains a packing list of materiel specific to the box to which it is attached. At a minimum, the set packing list will contain the NSN, Substitute NSN if applicable with cross-reference to the original NSN being replaced, Nomenclature, NDC, Manufacturer, Unit of Issue, and Total Quantity.

(k) Scheduled/Controlled Substances: The PS shall develop and implement procedures for ensuring any/all Scheduled or Controlled substances, required as part of any ordered set, is properly segregated and issued in such a manner which guarantees a clear audit trail is established until the materiel is received by the requesting activity.

(l) Packaging/Packing of Surge Requirements.

Army Surge Requirements: UA(s) ordered to support an Army surge requirement shall be packed in “tri-wall” containers provided, either in advance for storage at the PS’ facility or at the time the surge materiel is ordered, by USAMMA.

(m) Packing List for Surge Requirements. A re-sealable waterproof envelope containing a packing list of the sets and/or line materiel inside shall be affixed to the exterior of each container. For example, if a container is packed with 1 unit of UA “A” and 2 units of UA “B” the container packing list would show the following:

NSN	Nomenclature	Quantity
6545-00-000-0000	UA “A”	1
6545-99-999-9999	UA “B”	2

A second packing list shall be placed inside each tri-wall container (Army/USAMMA). For a set consisting of more than one commercial container or tri-wall, the packing list shall be specific to materiel packed in each tri-wall. Additionally, the exterior of each tri-wall shall be marked with the NSN for the set enclosed and the end item name. The Government shall ensure the PS is provided with all applicable NSN(s) for use with the sets. The PS shall become familiar with the use of, and maintain sufficient quantities of, military transportation movement documentation. This documentation includes, but is not limited to the following Department of Defense Forms (DD Form):

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DD Form 1384 "Transportation Control Movement Document (TCMD)"
DD Form 1387-2 "Military Shipment Special Handling" Label
DD Form 1502 "Frozen Medical Materiel" Warning Label
DD Form 1502-1 "Chilled Medical Materiel" Warning Label
DD Form 1502-2 "Perishable Materiel" Warning Label
DD Form 1750 "Packing List"

All materiel shipped by the PS shall be traceable.

(n) Surge Exercise & Testing: At any time during the term of the contract, the Government may exercise this capability at any time by placing a surge order to the prime vendor with or without prior notification. The PS shall fill and ship any/all Government surge orders. The Government also reserves the right to simulate surge orders to the PS that would not involve the actual purchase and movement of materiel.

(o) Radio-Frequency (RF) Equipment. For the Army only: During the term of contract, the Government will provide RF tag equipment and tags to the PS for use during shipment of the preplanned surge requirements so that the Government can maintain in-transit visibility of such shipments. It will be the responsibility of the Government to train the PS' personnel in the use of the RF equipment. At the conclusion of the contract all Government-furnished RF tag equipment and unused tags shall be returned to the Government.

III. AIR EXPEDITIONARY FORCE (AEF) REQUIREMENTS

(a) Applicability. The primary supplier for the Tricare Region # 12 may be required to be the primary supplier of urgent contingency support for the Air Expeditionary Force (AEF) Pacific deployments. However, if for any reason the Contractor can not meet the requirements to support an AEF deployment, the Government reserves the right to exercise the AEF support clause contained in any other Pharmaceutical Prime Vendor contract.

(b) Purpose: The Government intends to use this contract as a vehicle for the rapid acquisition of pharmaceutical items to provide urgent contingency support for the Air Expeditionary Force (AEF). The intent of the Pharmaceutical AEF Support Clause is to provide RECURRING supply requirements to deployed AEF (ATH-X/EMEDS) units 24 hours per day; 7 days per week, IF REQUIRED. There may be an estimated six deployments per 24 month period and their spacing cannot be predicted. Multiple, concurrent AEF (ATH-X/EMEDS) deployments are possible. Each AEF deployment will generate on-going daily AEF orders from the items identified on the spreadsheet.

(c) Ordering: Designated Prime Vendor will be required to accept orders electronically, however, orders will first be coordinated telephonically by the AEF sustaining base. Prime Vendors will be required to package and label all requirements according to commercial and/or military specifications as indicated by the ordering activity at time of order placement. All transportation arrangements and military air clearances will be performed by the ordering activity. The Air Force personnel, located at the designated AEF sustaining base in this region, will place all orders. Note that the sustaining base for Tricare Region 12, as defined in this solicitation, has not yet been identified. Until a sustaining base within the geographic definition of Tricare Region 12 is so identified, the Air Force will use the sites listed below as the AEF sustaining base.

Wilford Hall Medical Center	Air Force Medical Logistics Office/OL 2
Lackland AFB, TX	Fort Worth, TX
DODAAC: FM3047	DODAAC: FM9133
DEA: AW5333303	DEA: BA4429937

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The PS shall furnish its proprietary EOE, described fully in paragraph 7a of this SOW, to the 2 sustaining bases listed above, so that orders may be placed using its Order Entry System, even during this interim. Orders may also be placed using the EDI process described in paragraph 7b.

Upon identification of, and the resultant modification of any subsequent contract(s), the sustaining base in Tricare Region 12, both sustaining bases listed above will be deleted from the contract(s).

Prime Vendor will be required to receive and process requirements 24 hours a day, 7 days a week, including holidays. Orders must be packaged and ready for shipment within 8 hours of order placement. The sustaining base will provide 24 hours advance notification prior to order placement. Contractor must provide a designated representative at the designated distribution center.

The PS can expect to process incoming daily orders for any combination of items from the spreadsheet over an extended period. The spreadsheet quantities are estimated quantities needed for each of six deployments. Items will be ordered by NDC, not as a whole assemblage, up to the limit established by the contract for six deployments. If the estimated total quantities (spreadsheet quantities times six deployments) for the twenty four month period are exceeded in less than twenty four months, then the fill rate for orders above the total maximum projected quantities (spreadsheet quantities times six deployments) will revert to the 95 percent fill rate in the basic SOW for a 14 day refresh period. The PV will be required to have a 100 percent fill rate for all subsequent orders after the 14 day refresh period.

Orders will be placed by Air Force personnel located at a designated sustaining base using a unique combination of DODAAC and PV Customer Account Number. The PS must deliver each shipment to the PS distribution center's dock on an FOB Origin basis for pick up by a Government supplied carrier. For military orders the customer will have to provide their TAC code. For commercial air shipments, DSCP-Distribution will advise the sustaining base in writing of the assigned Government designated carrier(s). In accordance with standard industry practice, the Primary will assist in the preparation of the Commercial Bill of Lading (CBL). The PS is required to consolidate and mark materiel as specified, and prepare the CBL, prior to presentation for shipment. The sustaining base will provide a prepared Government Bill of Lading to the supplier's distribution center prior to commercial air shipment, for those countries where a GBL is required. The Air Force will be the payee on the transportation bills; the customer must provide the Air Force with a chargeable appropriation or TAC code.

(d) Type of Products: A list of AEF components in diskette form is included in this solicitation. All items will be listed on Medical DAPAs or IDTCs or on DVA FSSs.

(e) 100% Fill-Rate: The PS will be required to provide either commercial or military packaging as directed and shall provide a 100% fill-rate on all orders.

(f) Military Packaging Requirements: Shipments that qualify for World Wide Express must be packaged in 150 lb. boxes or less. As a result, the supplier will make every effort to package shipments in 150 lb. boxes or less. It is mandatory that all shipments to Air Mobility Commands (AMC/Military Air Terminals) obtain shipment clearance from the Service Air Clearance Authority prior to its arrival. The sustaining base will be responsible for obtaining shipment clearance. A list of Government Air Ports of Embarkation is attached.)

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(g) Instructions for Military Air Clearance and Transportation Control Movement Document (TDMD) Preparation:

1. All shipments intended for military air transportation (AMC transportation must be cleared for movement by the appropriate Air Clearance Authority (ACA) at least 24 hours prior to shipping. Shipping must be done at regular intervals, in order to meet the scheduled Military Flights. The sustaining base must obtain clearance prior to shipping to the aerial port (Port of Embarkation).
2. SHIPMENT CLEARANCE will be performed by Air Force personnel at the sustaining base and consists of completing a Transportation Control and Movement Document (TCMD) (DD Form 1384). The sustaining base must complete a TCMD for every shipment going by military air. A copy of the TCMD must be placed on the outside of each package. The TCMD must be **typed and written copies will not be accepted.** Fields which need to be completed are as follows:
 - a. Block 1: DOC ID (Document Identification)
 - b. Block 3: Consignor: (SP0200 – All Medical shipments and Vendor's Name)
 - c. Block 4: Commodity Special Handling
 - d. Block 5 Air Dimensions
 - e. Block 6: POE (Port of Embarkation) (Available from DoD 4500.32R)
 - f. Block 7: POD (Port of Debarcation) Destination (Available from DoD 4500.32R)
 - g. Block 8: Mode
 - h. Block 9: Pack (Two letter code how packed)
 - i. Block 10: Transportation Control No.
 - j. Block 11: Consignee
 - k. Block 12: PRI (Priority)
 - l. Block 13: RDD (Required Delivery Date)
 - m. Block 14: Proj (Project Code)
 - n. Block 15: Date Shipped (3 digit Julian date of the year
(i.e. Jan 1=001)
 - o. Block 16: ETA (Estimated Time of Arrival)
 - p. Block 17: TR Account (TAC Code)(Customer will provide)
 - q. Block 18: Carrier
 - r. Block 21: Remarks
 - s. Block 22: Pieces
 - t. Block 23: Weight
 - u. Block 24: Cube
 - v. Block 32: Doc ID (Document Identification)
 - w. Block 34: Consignor Comm Abbr other
 - x. Block 40 Transportation Control Number
3. packaging and labeling the supplier will provide the sustaining base with the number and type of containers, weight and cube, and notify of any special handling.)

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When calling for shipment clearances, the sustaining base will be asked to provide the following information:

- a. Transportation Control Number (TCN)
- b. Date of shipment, Mode and Number of day's enroute.
- c. Number and type of containers, Weight and Cube.
- d. Special Handling instructions (Refrigerated; Hazardous)

Note: Transportation Control Number (TCN) is an extremely important piece of data and is a complete transportation address in itself. This number must appear on all outer containers. Ordering activity will provide the prime vendor with the TCN number.

The sustaining base will make arrangements for shipping all Schedule III, IV and V controlled substances via traceable means to Conus ports of embarkation.

Labeling: Each shipment to a Military Air Terminal requires a DD Form 1387, Military Shipment Label, on it. Shipments other than General Cargo will require additional shipment labels as described in Procedure B. Shipment labels will be provided to successful offeror at time of award. Each shipping container should contain at least one copy of your shipping forms, invoice, or other documents that you may use when initiating shipments. These documents should be inside the shipping container and should list the items being shipped and the Government contract or order number as a minimum. Air Force personnel will be responsible for providing training on proper labeling procedures.

SHIPPING AND SPECIAL HANDLING LABELS

Shipping Labels:

- a. DD Form 1387 – White Label. This label is used on all shipments to Military terminals. A completed copy of this label shall be affixed to each exterior (shipping) container.
- b. DD Form 1387-2 Red & White Label. In addition to the white DD Form 1387, this label shall be affixed to each exterior (shipping) container non-hazardous materiel which requires special handling, i.e. refrigerated, frozen keep from freezing, or any other special handling; fixed to each exterior (shipping) container. Note: DD Form 1387-2 is no longer required for hazardous items.
- c. Shipper's Declaration for Dangerous Goods – Standard commercial Form with a red border which is available from commercial vendors specializing in hazardous materiel transportation supplies. The form must meet the format, size and color specifications outlined in IATA Dangerous Good Regulation, Section 8-documentation. Each shipment of hazardous items shall be accompanied by a completed Shipper's Declaration for Dangerous Goods.

Contract Statement of Work (Sow) (continued)

- d. DD Form 1502, 1502-1, 1502-2 – These labels are required for all perishable materiel, regardless of where it is shipped. A completed copy of the appropriate label shall be affixed to each exterior (shipping) container adjacent to the DD Form 1387.
 1. DD Form 1502 – Green Label. This label shall be used for perishable medical materiel that must be kept frozen (below 32F). Applicable icing and time date shall be inserted on the label at the time of shipping.
 2. DD Form 1502-1 – Orange Label. This label shall be used for Perishable medical materiel that requires constant refrigeration (Between 35-46F). Applicable icing and time data shall be inserted on the label at the time of shipment.
 3. DD Form 1502 – Red Label. This label shall be used for perishable medical materiel which has a limited un-refrigerated time period permitted (receipt of shipment by consignee is assured within a specified number of days). Applicable removal from/return to refrigeration data shall be inserted on the label at the time of shipping.

(h) Commercial Preservation, Packaging, Packing, Labeling and Marking:

1. Shipment of product to overseas customers requires materiel to be overpacked for international movement. The Prime Vendor will be responsible for packing and over-packing the materiel. Unless otherwise specified, preservation, packaging and packing shall be sufficient to preclude damage to container and/or contents thereof under normal commercial practices, and shall comply with applicable carrier regulations involving shipment from the Prime Vendor to the overseas receiving activity via air shipment. Exterior (shipping) containers shall be substantial commercial export containers of the type, size and kind commonly used for the purpose so constructed as to insure acceptance and safe delivery to destination.
2. Overpack containers shall be sealed and shall be in compliance with the National Motor Freight Classification (NMFC), Uniform Freight Classification (UFC) and the International Air Transportation Association (IATA).
3. When appropriate, consolidate items for a single sustaining base into unitized loads in accordance with IATA. Recommended configurations are as follows:
 - a. Shipments weighing less than 70lb: Consolidate into suitable boxes.
 - b. Shipments weighing 70lb. – 299 lb: Consolidate into suitable boxes or unitize on commercial pallets, 40" by 48" and shrink-wrap the load.
 - c. Shipments weighing 300 lb. or more; Unitize on commercial Pallets 40" by 48", and shrink-wrap the load.

Contract Statement of Work (Sow) (continued)

4. Materiel shall be labeled and marked in accordance with applicable Commercial standards and as specified herein.
 5. Perishable items requiring refrigeration or freezing shall be packed in thermal shipping containers with a quantity of ice (water/wet, chemical, or dry, as applicable) sufficient to maintain preservation for up to 96 hours from time of pack. In addition, for frozen items an irreversible indicator will be placed inside each container as evidence that materiel has not thawed during transit. Temperature sensors shall be provided to the Prime Vendor by the ordering activity.
 6. For shipments of sensitive, controlled and pilferable items, shipment will be made by premium carrier/traceable means.
 7. Packaging for hazardous item shall comply with applicable Regulations, i.e., 49 CFR, International Civil Aviation Organizations (ICAO) Technical Instructions (excluding para. 1.4 of Chapters 1 and 3), and International Maritime Dangerous Goods Code (IMDG). In addition, when an order requires shipment through a military aerial port via military aircraft, packaging shall comply with DLA14145.3, Preparing Hazardous Materiels for Military Air Shipment.
 8. Labeling and marking of hazardous items shall comply with the Requirements of 49 CFR, and either ICAO Technical Instructions(excluding para. 1.4 of Chapters 1 and 3) or IMDG Annex 1, as appropriate.
 9. Each shipment of hazardous items shall be accompanied by a current Materiel Safety Data Sheet (MSDS). In addition, a copy of the MSDS, annotated with either the National Stock Number (if applicable) or commercial part number, and item name, shall be provided to the ordering activity.
 10. Over-pack container markings shall include the delivery point's 6-Position (alpha and/or numeric) Department of Defense Activity Address Code (DODAAC) and an in-the-clear "Ship To" address. The Government will provide the "Ship To" address at time of order placement. Commercial markings not interfering with the clarity or positioning of required markings on containers need not be obliterated.
- (i) Shipping and Delivery:** Shipping and delivery will be by an authorized express shipper. The express shipper must be able to deliver within 24 hrs. CONUS/48 OCONUS.
- (j) Expiration Date/Shelf Life:** The contractor shall provide only dated/shelf life products bearing an expiration date/shelf life with at least 6 months remaining upon delivery to the Government.
- (k) Scheduled/Controlled Substances:** USPS Registered mail

Contract Statement of Work (Sow) (continued)

(l) AEF Items:: An AEF increase or change of ten percent, calculated on the awarded AEF dollar value, may result during the term of the contract. The prime vendor shall have the items available within 30 days from notification. Other than replacement items for discontinued items, the Air Force additions and deletions to the AEF list (up to ten percent) are restricted to two times during each 24 month period as follows:

24 MONTH BASE PERIOD: the 6th and 18th month

FIRST AND SECOND 24 MONTH OPTION PERIODS: at the start of the twenty four month period and once during the twenty month period-at the 12 month point. The PS may waive this restriction.

(m) AEF Status Reports/Feedback: Status reports (i.e. DAPA item changes recalls etc.) for AEF materiel will be provided electronically to the following e-mail address:

Air Force for AEF: sourcing.sustainment@ft-detrick.af.mil

(n) AEF Testing:

1. The Air Force may test the PS's responsiveness by placing orders against the contract, with or without prior notification, either as a simulated surge (also called a paper test) or by actually ordering materiel for shipment. When a "paper" test is conducted, the PS must provide projected materiel availability results of the simulation without the physical movement of the materiel in accordance with the required delivery time frames. When the Air Force actually purchases materiel, the PS must respond as if it were a true military operation and all AEF provisions of the SOW will be in effect.

2. Testing (of any type) will be limited to twice a year. Joint Chiefs of Staff (JCS) and Commander- in-Chief (CINC) exercises are expected to be part of this testing. Paper tests will be conducted at no additional cost to the Government.

END OF STATEMENT OF WORK

ATTACHMENT # I Pacific Packaging Labeling & Marking Requirements

SHIPPING INFORMATION FOR THE PACIFIC SUB-REGION (except AEF) AND INFORMATION ON THE IN-TRANSIT VISIBILITY (ITV) PROCESS

A. Delivery of Routine Orders:

1. The PV must “package and offer” the orders for transportation by the Government-designated carrier, to the PV’s distribution center dock, which must be located within CONUS. “Package and Offer” for the purposes of this SOW includes the following actions that the PV shall perform for each shipment prior to pick-up by the Government-designated carrier:

a. Consolidation of Items: The PV shall consolidate items for a single ordering facility into larger air shipment configuration in accordance with the guidelines in Section XVII;

b. Commercial Bill of Lading (CBL): The PV shall prepare a CBL for each shipment;

c. Electronic Air Freight Bill of Lading (EBL): The PV shall create & transmit an electronic air freight bill of lading, ANSI X12 Transaction Set 858 Version 4010, Shipment Information;

d. Bar-Code Shipping Label: For each shipment, the prime vendor will create shipping labels and affix them to every handling unit of the shipment. The prime vendor may take one of three approaches. First, it may produce shipping label from its own corporate information system in accordance with carrier requirements. Second, it may interface its corporate information system with a hardware/software solution provided by the carrier that produces the shipping label. Or third, it may use a stand-alone carrier hardware/software solution that produces the shipping label. In each approach, the vendor will ensure that the shipment Ids and carrier tracking (PRO) numbers will match between the labeling system and the vendors corporate information system.

After the government identifies the carrier to be used by the PV, the PV shall contact the carrier and determine the appropriate label to be created for each shipment, and then the PV shall take the steps necessary to create the agreed-upon label;

e. Notification: The PV shall notify the Government- designated carrier for cargo pick-up. Offers for transportation of routine orders will be made between the hours of 0800 and 1700, local time at the PV’s distribution center dock, Monday through Friday, excluding holidays.

f. Transportation Arrangements: In accordance with the “package and offer” provisions of this SOW, the PV shall act as a Government transportation agent and shall prepare or create the following documents for each shipment:

ATTACHMENT # I Pacific Packaging Labeling & Marking Requirements(continued)

Short Term Requirement for Korea shipments (effective upon award of the contract:

1a. Short Term Requirement Korea Shipments: DSCP-OMD will supply the Prime Vendor with overprinted Government Bills of Lading (GBL) for each destination in Korea. The Prime Vendor must complete (type or hand write) the following boxes on the Government Bill Of Lading:

- (1) Box 3 Date B/L Prepared
- (2) Box 16 Packages (total number of packages and Kind (boxes, carton, skid, pallet etc.)
- (3) Box 17 Hazardous Material ,X in this block if hazardous
- (4) Box 18 Description of Articles (enter call numbers, contract number, value for customs, refrigeration, hazardous information, total cubic feet, and dimensional weight (LxWxH)
- (5) Box 22 Carrier Waybill and date Waybill issued
- (6) Box 25 Carrier's Pickup date
- (7) Box 26a Signature of Agent (signature of the carrier)

The PV will notify DSCP-OMD (215-737-8116, or ext. 2675 and ext. 7395), when more GBL's are needed.

Long Term Requirement for Korea shipments (Effective date to be determined):

1b. CBL/Manifest: The PV shall prepare a CBL or manifest document. The document can be the same as or similar to one that the PV uses for commercial shipments; however, the CBL/manifest must identify the critical shipment information as well as the contents of the shipment. The PV, for shipment purposes, may combine multiple orders for the same ordering facility on the same day. For shipments to Korea, the PV shall annotate the CBL as follows:

- (1) the words, "*Property of U.S. Government – Entitled to Duty Free Import*".
- (2) a 17 digit Transportation Control Number (TCN) (to be provided by DSCP-OMD)
- (3) a Department of Defense Activity Address Code (DODAAC) of the customer
- (4) the name and title of the issuing transportation officer (same as block 33c on the GBL)

Because the above CBL for Korea is being tested from May through September 2000 by DOD and the Korean government, the annotations are subject to change. The government reserves the right to change the annotations and require that the annotations be used on CBLs for shipments to countries other than Korea as the situation may dictate. The PV shall provide a hard copy of the CBL/Manifest to the Government- designated carrier.

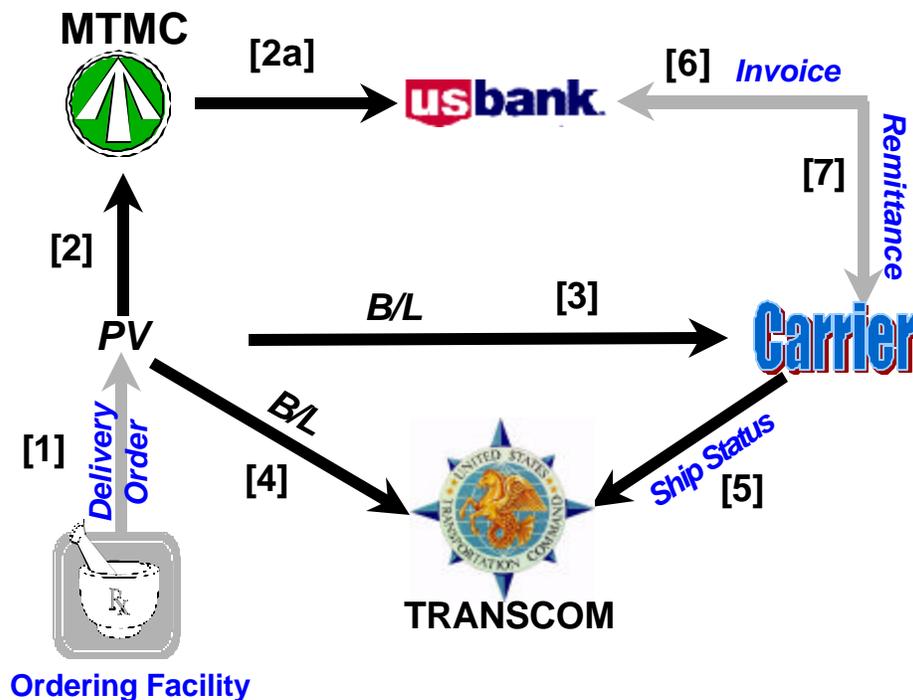
ATTACHMENT # I Pacific Packaging Labeling & Marking Requirements(continued)

2. EBL: After an order has been packed, the PV shall create an electronic air freight bill of lading in accordance with ASC X12 Transportation Set 858 Shipment Information (Version 004010). The PV shall detail in the EBL the items included in the shipment along with the weight and cube of the shipment. For each shipment, the prime vendor will create an EDI transaction set in accordance with one of two DoD Implementation Conventions (ICs): DoD 858 Air Freight Bill of Lading (for shipments > 150 lbs), and/or the DoD 858 Express Package Bill Of lading (for shipments <150 lbs). By following these ICs, the prime vendor will populate the 858 transaction set with data that will enable visibility of shipments **at the line item level. Those ICs explain this concept in greater detail. Where feasible,** the PV shall identify for inclusion in the 858 the pallet on which an item is loaded and a cross-reference between the pallet and the shipment. The item-pallet-shipment data to be included in the 858 will permit the government to maintain in transit visibility on items, as further described in the accompanying diagram. The PV shall transmit three copies of the EBL to the Joint Electronic Commerce Program Office (JECPO) value added network for subsequent forwarding by JECPO to the Global Transportation Network (GTN), the Government designated carrier, and either the Military Traffic Management Command (MTMC) or the Defense Supply Center Philadelphia (DSCP). The PV shall receive from JECPO an electronic acknowledgment for each EBL transmission. Details of the 858 Transaction Set are available on the Internet at [www:lmi.org/vendoritv](http://www.lmi.org/vendoritv)

3. Before placement of the first order under the contract, the PV will be informed, in writing, of the Government carrier(s) assigned to the contract. The PV will be informed of any change in the Government carrier(s) by DSCP at least 10 days before the change. During the term of the contract, the Government reserves the right to change the transportation arrangements cited above, either in whole or in part.

ATTACHMENT # I Pacific Packaging Labeling & Marking Requirements(continued)

4. The following diagram shows the operating concept in which the vendor sends the three copies of the 858 transaction set to the government and carrier. The diagram also shows electronic transactions sent by the carrier.



The following is an explanation of each numbered step on the above electronic shipment notice diagram.

[1] An ordering facility transmits a delivery order to the PV. The PV packs the order for shipment and generates an EBL, based on the guidelines established in the DoD Transportation EDI Convention, ASC X12 Transaction Set 858, "Air Freight Bill of Lading **and/or Express Package Bill of Lading**" (Version 004010). The PV transmits three copies of the Transaction Set 858 to the electronic mailboxes for JECPO which in turn sends those copies to either the Military Traffic Management Command MTMC or the Defense Supply Center Philadelphia (DSCP), to TRANSCOM's Global Transportation Network (GTN), and to the Government-supplied carrier.

[2] After receiving the PV's 858 EBL, either MTMC or DSCP determines the transportation cost for the shipment using carrier rates stored in their systems. Until the PV is notified by DSCP, DSCP will cost the shipment and then transmit a costed EBL to the electronic mailbox for US Bank. (Note that DSCP does not appear in the diagram). In the future, if MTMC costs the shipment, it transmits a costed EBL to electronic mailboxes for (I) US Bank and (II) DSCP.

[2a] Once US Bank receives the PV's 858 EBL, it uploads the EBL into its PowerTrack™ system for reconciliation and payment of the Government-designated carrier.

ATTACHMENT # I Pacific Packaging Labeling & Marking Requirements(continued)

[3] The carrier uploads the 858 EBL to its billing system for manifesting and customs clearance processing. Further, it uses the 858 EBL information to generate electronic invoices, which are transmitted to US Bank.

[4] TRANSCOM receives the PV's 858 EBL and uploads it to its GTN database and prepares to receive shipment status messages from the carrier.

[5] The carrier generates an electronic shipment status message and transmits it to TRANSCOM.

[6] The carrier generates an electronic invoice and transmits it to US Bank.

[7] Government personnel use the PowerTrack system to certify the reconciliation between the carrier's electronic invoice with the corresponding 858 EBL. After Government certification, PowerTrack generates a remittance notice that initiates carrier payment.

