

GENERAL INSTRUCTIONS

Your proposal in response to this solicitation must comply with these instructions. Please review them carefully. Failure to comply with these special instructions may result in rejection of your bid. Questions regarding these instructions should be brought to the Buyer' attention immediately.

GENERAL INSTRUCTIONS

1. INTRODUCTION

This is a Request for Proposal for hardware or services in support of various programs of General Dynamics Land Systems Division. The intent of this request is to obtain proposals that will form the basis for a contract providing the necessary ability to be responsive to current and projected requirements consistent with Government authorization and funding.

2. DESCRIPTION OF SUPPLIES/SERVICES

The item to be procured shall be manufactured in strict compliance with the Technical Data Package (TDP) requirements or other purchase description (s) defined herein including the Blueprint Breakdown Sheet and all applicable Quality Clauses.

Care must also be exercised to ensure your proposal is fully compliant with all other related or referenced data (i.e., Military Specifications, MIL-Standards, etc.) as these items, although referenced and applicable, may not be provided with the TDP but are obtainable directly from appropriate Government agencies. Failure of your proposal to meet the Technical Data Package requirements as provided may be cause for proposal rejection as "non-responsive".

Should you not be able to bid to the TDP requirements, alternative proposals may be submitted. Alternatives must be clearly identified and described, including reasons for the offer and any savings or other advantages to be achieved thereby. Consideration must also be given to costs likely to be incurred as a consequence of qualification and/or introduction of the revision into the Government Logistics Network.

Exceptions taken to any TDP requirement solely for convenience may cause the bid to be "non-responsive" and may be considered grounds for proposal rejection.

3. PRICING AND ADJUSTMENT METHODOLOGY

Proposal pricing will be based on the quantities referenced in the RFQ. In the event the actual quantity awarded is not consistent with the quantities referenced in the RFQ, a price will be determined based on straight-line interpolation/extrapolation.

All quotes are to be proposed firm fixed price unless otherwise stipulated.

4. PACKAGING/INDIVIDUAL PRICING

In many instances, similar or like components may be clustered or packaged together for quote and/or award. The GDLS Request for Proposal will identify package solicitations.

You are required to supply bids for both individual pricing and package pricing for all quantities. GDLS will consider all pricing structures during award evaluation.

5. DELIVERY SCHEDULE AND RATES

The required delivery schedule for the item(s) described herein will be identified in the RFQ/PO depending on the actual quantity procured. However, GDLS may vary the delivery rate as required and reserves the right to reschedule based on economic scheduling analysis (ESA); suitable notice will be provided.

Rescheduling may occur as a result of various MRP adjustments. Supplier must make every effort to comply with any such adjustment.

6. PACKAGING REQUIREMENTS

In an effort to better manage inventory costs, GDLS will require suppliers to package and ship in economic lots, where practical.

7. SPARES OPTION

You are asked to offer GDLS the ability to increase the actual total quantity ordered by up to 20 percent of the total contract quantity for spares and/attrition. This option will remain valid throughout the life of any purchase order/subcontract resulting from this solicitation. The price applicable to these spares/attrition will be the same as is applicable to all other quantities ordered.

8. NON-RECURRING COSTS

The proposal must identify all costs of a non-recurring nature. All special tools, fixtures, gauges, special tests, equipment, control tests, first article inspection, first article testing, etc., must be clearly identified and quoted separately from the unit price.

9. STATISTICAL PROCESS CONTROL (SPC)

GDLS strongly recommends the use of Statistical Methods for Process Control (SPC). SPC is a vital element of Continuous Improvement Program in attaining cost containment and achievement of increasingly higher levels of Quality proactively. A supplier's commitment to SPC is considered highly admirable in demonstrating a desire for satisfying customer needs. Product produced through a viable SPC system is a consideration during the Source Selection Process.

In Responding to the RFQ please indicate whether or not the product quoted will be produced in a SPC controlled process.

10. TERMINATION LIABILITY SCHEDULES

Upon receipt of your bid, termination liability schedules will be developed by GDLS. At time of award, suppliers will be expected to either submit their own termination liability for review/acceptance or advise concurrence with those schedules provided by GDLS.

11. RECEIVING ACCEPTANCE RATE

GDLS SUPPLIERS ARE EXPECTED TO MAKE THE NECESSARY COMMITMENTS TO ACHIEVE AND MAINTAIN A 100% ACCEPTANCE RATE. IN THE EVENT A SUPPLIER FAILS TO MAINTAIN THIS RATE, GDLS MAY ELECT TO TERMINATE THE SUPPLIER'S DELEGATION PRIVILEGES AND RECALL OR SUSPEND THE INSPECTION DELEGATE STAMPS. GDLS MAY ALSO BEGIN TERMINATION FOR DEFAULT PROCEEDINGS IN ACCORDANCE WITH PARAGRAPH 14 OF THE PURCHASING ORDER TERMS AND CONDITIONS (84-005-0807).

12. INSPECTION DELEGATION/PRODUCT ASSURANCE VERIFICATION

Incumbent suppliers with a Receiving Acceptance History of 98% or better may be elected to participate in Land Systems Division Inspection Delegation program, as outlined in Attachment G, QCS-83-8. Suppliers not approved for participation in this program will be subject to Product Assurance Verification in accordance with the following Purchase Order Clause:

"General Dynamics Land Systems Product Assurance Verification is required on this contract. Supplier shall notify General Dynamics not later than five (5) working days prior to start of Hardware Acceptance Test or verification to allow General Dynamics sufficient time to schedule such verification. All specified documents referenced in the purchase order (i.e., Certifications, Test Reports, etc.) are not to be shipped with the product. These records are to be maintained at the supplier's facility, and are subject to General Dynamics verification upon

request. The records must be retained for five (5) years after completion of deliveries and payment thereof under this purchase order."

Suppliers will be notified at time of purchase order award whether Inspection Delegation or Product Assurance Verification is applicable. However, at the sole discretion of GDLS, suppliers may be required to switch from Inspection Delegation to Product Assurance Verification or vice versa at any time throughout the performance of the contract.

13. COMPETITION REPORTING

You are expected to complete all purchased material to the maximum extent possible. In the event that complete proposal evaluations indicate that an item is awarded on a non-competitive basis and is over \$100,000.00 in the aggregate, you may be required to track and report to GDLS your competition statistics on purchased components.

14. BASIS FOR AWARD

It is the intent of GDLS to evaluate proposals and make awards based upon (i) confidence in the proposer's ability to meet technical/quality requirements, delivery schedules, and financial stability (ii) potential program risks, (iii) implementation costs, and (iv) most cost effective proposal. Pricing evaluations will be based upon the price contract quantities perceived as most likely at the time of evaluation. Break-in effectivity for potential engineering changes and the risk attendant thereto will also be considered.

15. INDUSTRIAL IMPROVEMENT MONEY

As an option, you are requested to examine cost savings which could be realized if your firm made capital improvement investments. You are encouraged to propose investments and the potential savings associated with the investments. GDLS will review all proposals. Unlike tooling, which the Government funds and owns, industrial improvement investments remain the property of the supplier.

16. MULTIYEAR OPPORTUNITY (POTENTIAL)

A. QUANTITY OPTIONS

If one of the RFQ quantity options is a multiyear opportunity one of the following will apply:

Multiyear full quantity and funding authorized.

Multiyear with incremental yearly orders.

B. ESCALATION CLAUSE

Escalation will be negotiated on a case by case basis based on common industry practices. D.R.I. will, most likely, be used for the basis of this negotiation.

C. FLOW-DOWN PROVISIONS

Every attempt should be exercised to flow-down and commit your suppliers to a multiyear contract similar to our agreement, including terms and conditions. You may be required to provide verification of flow-down contracts with your sub-tier suppliers.

D. RECOMPETITION

Subcontracts/purchase orders awarded as a result of this solicitation will contain the following clause:

"Buyer shall not re-compete the item order herein for the duration of this contract or contracts derived herefrom pursuant to a multiyear prime contract award provided that the seller's performance and financial stability remain satisfactory and GDLS cost objectives are met.

Should production requirements become jeopardized due to unsatisfactory performance, buyer retains the right to re-compete. In addition, should an unforeseen engineering change become necessary rendering the item obsolete or substantially changing it, the replacement item may be re-competed".

17. COMPLIANCE WITH RFQ PROVISIONS

Unless specific exception is taken in your proposal to any requirement of this RFQ, it will be understood that the act of submitting the proposal constitutes agreement. If any exceptions from technical data package are taken, they must be noted in exacting detail and highlighted.

18. PROPOSAL DUE DATE/VALIDITY PERIOD

Your proposal must be submitted and delivered so as to arrive on or before 12:00 noon on the date noted on the RFQ. The proposal must be addressed as specified in the RFQ.

Late receipt of your proposal may be cause for rejection of your bid at the discretion of GDLS.

Proposals are to be firm for 180 days unless otherwise indicated by the supplier.

19. TERMS & CONDITIONS AND SPECIAL PROVISIONS

Any purchase order/subcontract award resulting from this RFQ will be subject to GDLS Standard Terms and Conditions, Forms 84-005-0807 (10/97), 84-005-0808 (5/99), and 84-005-0809 (5-99). Copies of these forms are attached hereto at Attachment A. You are excepted to flow down these terms and conditions, as well as all other contractual provisions, to your sub-tier suppliers.

20. FINANCIAL DATA REQUIREMENT

Your proposal must include copies of your latest financial statements listed below:

- a. Copy of audited balance sheet and statement of income and retained earnings for the latest two fiscal or calendar years.
- b. Copy of unaudited balance sheet and statement of income and retained earnings subsequent to year end period (most recent date).
- c. Statement showing sources/uses of working capital.
- d. Notes to financial statement.
- e. Dunn & Bradstreet Report (if none of above available).
- f. If quoting on more than one requirement only submit one copy of requested financial information.

Your proposal may not be considered completed without the receipt of this data.

21. PROGRESS PAYMENTS

Progress payments in accordance with FAR 32.502-3, 52.232-13, and 52.232-16 may be available upon request. Progress payment requests will be subject to the General Dynamics prime contract, reference Attachment B. This request will not be a factor in evaluation of your proposal. Suppliers requesting progress payments must do so at the time of proposal. Submission as post award request will not be honored. Progress payments should not be requested for proposals of less than \$100,000 for small businesses or less than \$1,000,000 for large businesses.

Note: Your accounting systems must be audited and approved by either GDLS or the Government DCAA prior to progress payment allotments.

22. COST & PRICING DATA

A determination of adequate price competition as defined by FAR will not be known until proposals are received and evaluated. Cost & pricing data is not requested at this time, but should proposal evaluations indicate an item is not competitive and over \$100,000 in the aggregate, cost data will be required on Standard Form 1411 along with supporting data. Your proposal must state agreement to provide the certificate within 15 days from request by GDLS.

23. FOREIGN PROCUREMENTS

If you contemplate procurement of materials or services from a foreign source, you must include in your proposal submission an identification of materials or services to be procured from foreign sources and indicate the country of origin. Duty free entry is applicable to this prime contract, however, must be requested at time of proposal as post award requests will not be honored.

24. MANUFACTURING LOCATIONS

Potential suppliers who intend to manufacture all or a part of the supplies at a location other than that shown on the face of this solicitation shall indicate all such locations and the percentage of the order being manufactured at each location in the proposal response.

25. PRIORITY RATING

Awards made as the result of this solicitation may carry a Government priority rating. This rating will be identified in the RFQ/P.O..

26. DELIVERABLE SAMPLES

In the event that the part being bid contains a pre-production requirement necessitating submission of items such as weld procedures/specimens, test slabs/buttons, test bars, consider 90 days as a minimum to allow adequate time for testing/evaluation and formal notification of approval. Weld Procedure/Specimens approvals are valid for three (3) consecutive contract years commencing with the initially approved contract and need not be considered or costed annually providing that the above criteria has been met.

All other unique and/or pre-production requirements must be satisfied annually or per the frequency defined by the applicable Technical Data Package document.

27. FIRST ARTICLE INSPECTION (FAI)

In the event the data package contains a requirement for first article inspection, such inspection is valid for the performing year and three (3) consecutive contract years, thereafter. The FAI requirement is identified under QCS-83-4.

This requirement will be based on an assumption that no changes in the manufacturing location, process, or in the design of the hardware are made. In the event of such occurrence, resubmission and/or performance of the requirement in advance of the established frequency will be required. Reference Attachment C.

28. FIRST ARTICLE TEST (FAT)

In the event the data package contains a requirement to perform First Article Test, (QCS-4), such test is valid for the performing year and three (3) consecutive contract years, thereafter. This requirement will be based on an assumption that no changes in the manufacturing location, process, or in the design of the hardware are made. In the event of aforementioned change, submission and/or performance of the requirement in advance of production and shipment of hardware will be required. Reference Attachment D.

29. CONTROL TESTS

In the event the data package contains a requirement to perform control testing, such testing shall be required in accordance with QCS-4A documents. This testing requirement will be based on an assumption that no changes in the manufacturing location, process, or in the design of the hardware are made. In the event of aforementioned change, performance of the requirement in advance of the production, and shipment of hardware as defined by the TDP will be required. Reference Attachment E.

30. INSPECTION/TEST TIMETABLE

All pre-production requirements must be successfully completed prior to hardware delivery.

Consequently, proposals submitted must be conditioned upon timely completion of the requirement, consistent with the required GDLS delivery schedules defined herein.

Proposals must clearly establish the following requirement lead times:

- Submission of test plans, test reports, procedures, etc., after purchase order/subcontract award.
- Duration of applicable tests.
- Production of hardware at rate after completion of all pre-production requirements.