STATEMENT OF WORK (SOW)
FUEL TANK REPAIRS
70Z03826QB0000046
ATTACHMENT 2

1.0 BACKGROUND

The United States Coast Guard (USCG) currently operates a large fleet of 97 MH-65 helicopters. The MH-65 helicopter is primarily a Short-Range Recovery (SRR) aircraft used by the USCG to perform search and rescue, law enforcement and homeland security missions. The USCG missions require frequent operation at lower altitudes and in salt-laden environments. These environments accelerate corrosion on airframe structures, engines, and components of the aircraft.

2.0 SCOPE

This requirement is for the test, evaluation, and repair of Fuel Tanks. Work shall be performed using the Original Equipment Manufacturer (OEM) Component Maintenance Manuals (CMM). There are multiple OEMs associated with the parts contained within this requirement. Upon receipt of the components, the Contractor should perform a test and evaluation to determine the condition of the items. Any items found as No Fault Found (NFF), Beyond Economical Repair (BER) or Scrap must be returned to the USCG In Accordance With (IAW) section 6.5. All other items repaired shall be IAW this Statement of Work (SOW), and OEM CMM.

3.0 APPLICABLE DOCUMENTS

3.1 Technical Specifications. OEM CMMs and other applicable technical specifications for the components set forth in the Schedule.

3.1.1 The contractor must have access to required CMM, repair specifications, and/or test and acceptance criteria and any other required data to ensure all components are tested and repaired in accordance with (IAW) the OEM's current specifications and procedures. The USCG may review repair manuals and performance/test/acceptance criteria as required. Original design or functional capabilities of the end item and parts thereof shall not be changed unless authorized or directed by the requirement of this SOW.

3.2 OEM Documents. Industry documents are not available from the USCG and may be obtained from the applicable OEM. The contractor must have access to all applicable documents and the ability to obtain updated editions. The USCG does not own, nor can it provide the technical documents specified herein. Neither the closing date for receipt of quote nor contract award shall be delayed pending receipt of these documents.

3.3 USCG Documents. USCG Technical Orders that support components set forth in the Schedule. Copies may be obtained by written request and approved by the Contracting Officer (KO).

3.4 Government Documents. The following specifications, standards, and handbooks of the latest revision at the date of the original release of this specification listed below form a part of this specification to the extent specified herein.

3.4.1 Federal Aviation Administration (FAA) Advisory Circulars (AC) AC 43-206 (May 2001) Inspection, Prevention, Control, and Repair of Corrosion on Avionics Equipment.

3.4.2 Military Standards. MIL-STD-2073- Department of Defense Standard Practice for Military Packaging (May 2008).

3.4.3 Occupational Safety and Health Standards
1910.1025 Lead
1910.1026 Hexavalent Chromium
1910.1027 Cadmium

3.4.1. A copy of these standards is available at www.osha.gov.

3.5 Order of Precedence. In the event of conflicts between OEM specifications and procedures and USCG specifications and procedures, the order of precedence is as follows:

a. USCG specifications and procedures, including this SOW and referenced documents
b. OEM specifications and procedures

4.0 CONTRACTOR REQUIREMENTS

4.1 FAA Certified Part 145 Repair Facility

The contractor shall be either a (1) FAA Certified Part 145 Repair Facility or (2) equivalent European Aviation Safety Agency (EASA) for the component listed in the Schedule of Supplies/Services. Components repaired and delivered to the Government shall be certified airworthy and ready for installation on a USCG aircraft. Contractor must provide proof of an established supply chain with the OEM for those parts required to be purchased through the OEM AND proof of enrollment in OEM technical publication subscription and compliance with tech publication audit requirements, if any, as set forth by the OEM with their quotation.

4.1.1 Certifications

The Contractor shall maintain all FAA and/or EASA certifications throughout the duration of the contract. The Contractor shall notify the Contracting Officer in writing, no later than ten (10) calendar days, when the Contractor has a change in their certification status and shall disclose all facts relevant to the change.

4.2 Subcontractor Qualifications

Subcontracting shall be limited to Contractors certified by the FAA or EASA equivalent and OEM. Documentation shall be provided to the Government upon request to support the subcontractor's qualifications and there can be no change in sub-contractors without the Contracting Officer's written approval. Contractors and sub-contractors shall have access to OEM authorized replacement parts. If subcontractors are used, the Contractor must be able to provide current proof of compliance with OEM CMM specifications for the work being accomplished by the subcontractor.

4.3. Labor Rate

The labor rate provided in the Schedule of Supplies/Services, for the base period and each option period, shall be the rate used to incorporate unusual damage, technical support, service bulletins, and/or an engineering change. It shall be fully burdened with all overhead, general and administrative (G&A) expenses, and profit.

5.0 REPAIR.

5.1 Repair Procedures.

Non-Ready for Issue (Non-RFI) components shall be repaired and returned to RFI condition IAW the OEM minimum functional performance specifications. Components shall be repaired for the specific fault for which they were returned. A DD Form 1577-2, Unserviceable (Repairable) Tag-material, or USCG, CF-1577-A (11-90), Unsatisfactory Report Tag will be attached to each Non-(RFI) item describing faults. The Contractor shall perform an inspection and correct deficiencies found. However, if no tag is present specifying why an item is sent for repairs, the Contractor shall follow approved CMM or OEM's Acceptance Test Procedure (ATP) or current USCG approved repair and procedures. This shall include, but is not limited to, replacement of broken or missing parts and the removal of any foreign matter or corrosion. Any deviations must be approved by USCG.

5.1.1 Work under this contract shall be performed at the contractor's facility or USCG approved facility. The contractor shall provide all necessary parts, materials, labor, tooling, test equipment, and facilities to evaluate and repair the components listed at the firm-fixed prices listed in the Schedule. The contractor shall perform all repair IAW applicable OEM CMM, other repair specifications in lieu of an applicable CMM, and/or applicable test/acceptance criteria. Any deviations must be approved by USCG.

6.0 Additional Contractor Requirements

6.1 Failure Data Report. The Contractor shall submit a failure data report (in numerical order, by P/N for each repaired component. This report shall include National Stock Number (NSN),

Part Number (P/N), Serial Number (S/N), nomenclature, date of repair, Contract Number, Task Order number, line item numbers, description of the repaired failure, the USCG reported failure, a listing of parts repaired, a listing of parts replaced, and the schematic location of parts that were replaced or repaired. The Contractor's in-house work order may be used to satisfy this requirement if the work order contains information requested above. This report shall be included with the packing slip, which shall be included with the repaired component when shipped.

6.2 Corrosion. USCG aircraft operate primarily around salt water, at low altitude, and are subject to corrosion. During inspection and functional test, the presence of corrosion in a component shall constitute reason for a more thorough disassembly and inspection. If corrosion is discovered, disassembly shall be performed to the extent necessary to remove corrosion or replace the part, or parts, affected. Corroded parts shall be replaced, except in those cases where removal of corrosion from a part will not impair efficiency or safe operation of the part. Corrosion removal and treatment of affected areas shall be accomplished IAW the CMM or OEM's Acceptance Test Procedure (ATP). If not addressed in the manufacturer's specifications, the Contractor shall use FAA AC 43-206.

In the case where specifications do not exist or are not clear, the Contractor shall provide written notification to the KO. Disposition instructions via modification to the Task Order will be completed and provided by the issuing office.

6.3 Environmental. All parts must be thoroughly cleaned IAW applicable CMMs and OEM specifications to ensure they are as free as practicable of all hazardous dust to include hexavalent chromium, cadmium, lead, etc., prior to being returned to ALC. ALC may take random samples of parts to ensure they are free as practicable of all hazards. Information on these hazards can be found in Occupational Safety and Health Standards 1910.1025 (lead), 1910.1026 (Hexavalent Chromium) and 1910.1027 (Cadmium).

6.4 Test and Evaluation/No Fault Found/Beyond Economical Repair (BER)

6.4.1 Test and Evaluation (T&E) / No Fault Found. If, after visual and functional inspections, an item is discovered to meet manufacturer's minimum performance specifications as designated by the CMM or OEM's ATP and requires no parts or labor, the Contractor shall be allowed the firm-fixed price for Test and Evaluation/No Fault Found Fee in the Schedule. The Contractor shall prepare and include a Failure Data Report as described in paragraph 6.1, with all returned components, including the USCG's reported failure and the fact that no fault was discover.

6.4.2 BER. When an item is determined to be BER, the Contractor shall provide written notification to the KO. The notification shall list the Task Order Number, Line Item, NSN, PN and S/N with a brief description supporting the determination. The KO will provide disposition instructions via Task Order Modification. If the part is, deemed BER, the Contractor shall be

allowed the firm-fixed price for Test and Evaluation Inspection Fee. The Contractor shall prepare and include a Failure Data Report as described in paragraph 6.1. When the determination that the assembly shall be BER, the part and the accompanying paperwork must be clearly marked BER and returned to the USCG ALC for proper disposition.

Note: The USCG typically considers the item BER when the cost of repair exceeds 65 percent of the price of a new unit; however, the USCG is not bound with this percentage and will make all final BER determination.

6.5 Scrap Items. When an item is determined to be scrap, the Contractor shall provide written notification to the KO. The notification shall list the Task Order Number, CLIN, NSN, PN and S/N with a brief description supporting the determination. The KO will provide disposition instructions via Task Order Modification. If the part is deemed scrap, the Contractor should be allowed the firm-fixed for Test and Evaluation Inspection Fee.

The Contractor shall prepare and include a Failure Data Report as described in paragraph 6.1. When the determination that the assembly shall be scrap, the part and the accompanying paperwork must be clearly marked scrap and returned to the USCG ALC for proper disposal.

6.6 Certificate of Conformance. The Contractor should furnish a Certificate of Conformance IAW Federal Acquisition Regulation (FAR) Clause 52.246-15 (Apr 1984) for all components. For repairs accomplished IAW USCG approved procedures and not included in a FAA repair station authorization, each component returned after repair shall be tagged with a DD Form 1574 Serviceable Condition Code Tag, completed in its entirety. Each repaired component returned to ALC must be tagged with a Certificate of Conformance (Or an FAA 8130-3) and a DD Form 1574 Serviceable Condition Code Tag, completed in its entirety. This form shall be packaged with each component. FAILURE TO SUBMIT THE APPROPRIATE CERTIFICATES WILL RESULT IN NON-ACCEPTANCE OF THE DELIVERED ITEM.

6.7 Replacement Parts. Parts of a component found to be in a serviceable condition because of functional testing shall be reused. Missing parts and parts found to be defective or that require replacement by manufacturer's instructions shall be replaced with parts meeting the manufacturer's specifications and drawings. The replacement parts shall be new. Repair of all items shall be IAW the applicable item CMM. The cost for parts that are replaced systematically during repair shall be included in the fixed repair price identified on Contract Line-Item Number (CLIN)s 0001, 0002, 0003, 0004, and 0005, including all subsequent Option Period CLINs in the Schedule Supplies/Services.

6.8 Separately Priced Replacement Parts. Pricing for other repair components and supply material, yet unspecified by part number at contract award, will be incorporated as firm fixed prices after negotiation of the first-time replacement. The Government reserves the right to provide separately priced replacement parts as Government furnished property on an as-needed basis as determined by the KO. The KO will either issue a modification to the task order

authorizing use of the separately priced replacement part(s) or provide disposition instructions. The delivery schedule will be adjusted accordingly for any delay associated with requesting and obtaining approval to utilize the specified separately priced replacement part(s).

7.0 Pricing Exclusions – Unusual Damage.

7.1.1 General.

The USCG intends that all components specified in the schedule of supplies/services will be shipped for the repair within the firm-fixed prices established in the Schedule of Supplies/Services. Those components may be determined to be unusually damaged. To be determined unusually damaged, a component must be received for routine repair and upon evaluation any one of the following conditions is discovered:

Obvious misuse Crash damage Acts of God

Only components meeting one or more of the above criteria may be considered as Unusually Damaged. Missing piece parts does not include the parts that are to be systematically changed per the CMM; the USCG shall not be charged for these parts. All other components shall be repaired IAW the firm fixed repaired prices established in the Schedule of Supplies/Services.

7.1.2 Unusual Damage Evaluation.

When a component is processed for Unusual Damage Evaluation, the Contractor shall immediately notify the KO in writing. The Government may request the Contractor to submit an inspection condition report, pictures of the damage, and a repair quote listing all parts and labor cost needed to return the component to satisfactory condition that meets OEM CMM specifications. The quote shall include the Task Order Number, Line Item, NSN, P/N, and S/N of the component. The Contractor's delivery obligation shall stop from the date of notification that an item has been determined to be a candidate for "Unusual Damage Evaluation." The delivery obligation will be specified in the Task Order modification and will apply only to those items specifically addressed by the modification. The Contractor is obligated to deliver all other components not individually addressed by the modification under the original delivery date specified on the Task Order. The quote shall not include the work involved in the teardown and inspection, which will have already occurred, as this is covered by the firm-fixed price specified under CLINs 0001, 0002, 0003, 0004, and 0005, and subsequent Option Period CLINs.

Within thirty (30) days after receipt of the Contractor's written proposal, the KO will make a written determination (Subject to the Disputes clause) as to whether the component is determined to be "Unusually Damaged". If the KO determines that excluded items are considered BER, no Unusual Damage charges will apply. The KO will either initiate negotiations for a firm-fixed price with the Contractor or deny authorization for the repair based on the information in the report and any other information which may be available. Upon mutual agreement as to the

price and delivery, a Task Order modification will be issued authorizing the repair at the agreed upon terms. The labor rate shall be at the Firm-Fixed Labor Rates priced in Schedule for Supplies/Services at the contract base/option period associated with the request starting with CLIN 0006 and subsequent Option Period CLINs. If repair is not desired, the KO will provide the Contractor with disposition instructions for the un-repaired components.

7.2 Technical Support Services. The Contractor shall maintain a permanent presence in the United States, staffed with qualified, English-speaking technical support personnel. The Contractor shall provide answers to basic questions from Government engineers at no additional cost to the Government. Upon receipt of a request for a quote for a specific task, the Contractor shall prepare and submit a quote to the KO. This quote shall include a breakdown of hours; materials and other costs associated with performance of the task. Specific deliverables will be identified on individual task orders. The labor rate shall be at the Firm-Fixed Labor Rates priced in Schedule for Supplies/Services at the contract base/option period associated with the request starting with CLIN 0007 and subsequent Option Period CLINs.

7.3 Product/Engineering Changes. The Contractor may develop designs and/or processes that will improve the reliability, maintainability, or operational performance of the Fuel Tank. These may be provided to the KO for consideration and approval. A proposal shall also be provided that reflects the Contractor's costs and an incremental charge to be assessed each time the product change is incorporated into the component. The proposal shall include a breakdown of labor hours, material, and other costs. The labor rates will be as specified in CLIN 0008 and subsequent Option Period CLINs. Authorization for the Contractor to incorporate the change will be by a modification to the contract and applicable task orders. The Contractor shall not incorporate proposed product changes prior to receipt of written authorization from the KO.

7.4 Service Bulletins. The Contractor shall notify the KO in writing when incorporation of a service bulletin is required no later than thirty (30) calendar days following receipt of the service bulletin notification. The quote shall contain a list of materials with associated prices, the number of labor hours required, turn-around time needed to affect the Service Bulletin, and any impact on the contract delivery schedule. The incremental charge agreed to for incorporation of a service bulletin shall apply only to those components into which the Contractor incorporates a required service bulletin, not those into which the service bulletin has been previously incorporated. Upon agreement of the price for incorporation of the change, authority and price changes shall be incorporated into the contract via contract modification. The Contractor shall not incorporate a service bulletin prior to receipt of written authorization from the Contracting Officer. The labor rate will be as specified in the Schedule as CLIN 0009 and subsequent Option Period CLINs.

8.0 CONTRACTOR VERIFICATION OF COMPONENTS.

Upon receipt of components, the Contractor should notify the Contracting Officer in writing and provide the following information: (l) date the component(s) received at the Contractor's

facility and, (2) confirmation of P/N's and S/Ns on the equipment received and advise if any of this information does not exactly match the task order. The Contractor shall NOT start work on equipment received that have P/N's or S/N's different than what is shown on the task order unless a task order Modification issued correcting the discrepancy. The Government reserves the right to have "discrepant equipment" returned "as is". The Contractor's failure to confirm the equipment received may result in the Government's assumption that the components were received at the Contractor's facility within fourteen (14) calendar days of the date on the delivery order and the P/N and S/N information on the equipment matches exactly the information on the task order for the equipment.

9.0 QUALITY ASSURANCE PROVISIONS.

9.1 Responsibility for Inspections and Tests. The Contractor shall establish an inspection system, IAW FAA and/or Department of Defense (DOD) procedures for all components. The Government reserves the right to review the Contractor operation and/or facilities at any time during the period of the contract.

9.2 Testing. The Contractor shall ensure that the acceptance testing required for repaired components include verification of repair of the fault for which it was returned and other testing as required to verify RFI status. The Contractor shall provide a copy of their ATP to the Government for review with their proposal. Acceptance testing for repaired Fuel Tank shall be conducted IAW the Government reviewed ATP. The Contractor shall make available to the Government all acceptance test results and, as applicable, discrepancy reports with corrective actions taken for each Fuel Tank component. The ATP may be incorporated into the manufacturer's publications.

9.2.1 Changes to Repair Test Procedures. The Contractor shall provide written notification to the KO no later than fifteen (15) working days following changes to applicable OEM Repair ATPs. The Government reserves the right to verify that the Contractor's procedures are adequate to ensure the task of RFI parts.

9.3 Quality Control System. The Contractor is required to be certified and maintain a quality system that complies with the requirements of International Organization for Standardization (ISO) 9001 Quality Management Systems – Requirements, Aerospace Standard AS9100, or equivalent. The Contractor is responsible for performing or assuring all inspections, tests, and calibration necessary to substantiate that the goods or services furnished conform to USCG's requirements. The Contractor shall take prompt action to correct conditions that have or could result in goods or services that do not conform to contractual requirements. Records of conformance shall be maintained on file at the Contractor's facility and made available or provided for review by USCG upon request. USCG reserves the right to conduct surveillance at the Contractor's facility to verify the existence, adequacy, and effectiveness of the quality

system. Upon request of USCG, the Contractor shall forward a copy of their current certification and Quality Assurance Manual for review.

9.4 Product Quality Deficiency Report (PQDR). Repaired Fuel Tank units found to have deficiencies will be returned to the Contractor for investigation under a no-cost warranty repair task order. The task order will include a copy of the PQDR outlining the component deficiency. The Contractor shall report findings of the investigation to the KO within fifteen (15) working days after receipt of the component. If agreed upon between parties that the component's deficiencies are not related to previous repairs completed by the Contractor, the Contractor's report of findings shall include a detailed quote that includes a complete breakdown of parts and labor necessary to return the component to serviceable condition. The KO will either initiate negotiations for the work or accept the Contractor's quote and issue a modification to the task order authorizing and incorporating pricing for the repair work. The terms and conditions of the base contract including task obligations shall apply to all no-cost warranty repair task orders.

9.5 Requirements for Supplier Changes. The Contractor shall, immediately upon discovery, notify and disclose conditions to the KO of any event, supply change, material change, supply malfunction, counterfeit/suspect parts or materiel, defect or non-airworthy condition of any product or component listed on the schedule found to have potential cause with a non-conformity to the original specifications of this contract. The Government reserves the right to inspect any non-conforming product or component. Therefore, the Contractor shall obtain approval from the KO prior to the disposition of any non-conforming product or component.

The Contractor's quality control manual shall address in detail the Contractor's risk management, test, inspection, non-conforming product, and counterfeit/suspect parts processes.

The Contractor shall immediately notify the KO of any changes that potentially have an impact on the product. Changes may include but are not limited to products, processes, material, supplier sources, manufacturing facility location and personnel qualifications.

Upon notification of the change, the USCG will approve or deny the change. Facility location changes may require the Government to perform a facility inspection. The Contractor shall allow the Government access to all applicable areas of the Contractor's facilities to ensure compliance with contractual requirements. In the event that the USCG does not approve the change, the contract or task order may be cancelled or terminated in accordance with the Federal Acquisition Regulation (FAR) 52.212-4.

Unless otherwise specified, the Contractor shall flow down all requirements in this contract to their supply chain, including all suppliers and subcontractors, if any.

9.6 Parts Manufacturer Approval (PMA). PMA parts are not acceptable for this requirement.

10.0 SPECIAL INSTRUCTIONS

10.1 Accelerated Turn-Around-Time and Delivery. Only the KO may request and authorize an accelerated turn-around-time and delivery if needed by the Government for delivery to the USCG, ALC Receiving Department, Weeksville Rd., Elizabeth City, NC 27909. In the event an accelerated turn-around-time and delivery is needed, which the Contractor can meet, the Contractor shall be entitled to compensation for additional labor hours and expedited freight costs necessary to complete performance earlier than the turn-around-time and delivery schedule established in the Contract. After receiving a written request from the KO for an accelerated turn-around-time and delivery, the Contractor shall provide a written response within one (1) business day advising if an accelerated turn-around-time and delivery can be accomplished and include any additional costs necessary for the accelerated performance. Accelerated performance may be authorized in writing via task order modification. If the Contractor accelerates turn-around-time and delivery on its own initiative to meet the delivery schedule established in the contract task order, the additional costs are not recoverable from the Government.

10.2 Aircraft on Ground (AOG) Situations. An AOG situation necessitates a special schedule and requires accelerated repair completion and expedited delivery to the applicable USCG Air Station. In the event an AOG status occurs as a result of a lack of any of the components specified in the schedule, the Contractor will be notified by the Government in email or by phone of the AOG situation and the applicable USCG Air Station and will be requested to provide a written response within twenty-four (24) hours of the request. The Contractor's response shall provide 1) status of the component(s) needed to satisfy the AOG condition that includes what USCG items in-house for repair are closest to completion under normal working conditions and 2) an estimate of the labor hours needed to accelerate repair completion. The accelerated repair work will be authorized via a task order modification in conjunction with mutually agreed upon prices, delivery, and shipping costs reimbursement for next day delivery to the applicable USCG Air Station.

In the event of an AOG situation, the task order and applicable task order CLIN will be modified to reflect the USCG Air Station's delivery address and the applicable USCG Requisition Number. The Contractor shall be required to ensure the Requisition Number is included on shipping/delivery tickets so that the Material Receipt can be processed by the applicable USCG Air Station receiving personnel.

10.3 Aircraft Accidents and Incidents. Disposition of evidence, including Fuel Tank components involved in aircraft accidents or incidents, shall be IAW current Government investigation procedures. These procedures are IAW and at the direction of the National Transportation Safety Board whose rules and regulations delegate to the Government such authority as is appropriate. Contractor participation in these proceedings will be determined by the president of each accident or incident board and directed by the KO. Investigations of Fuel

Tank failures undertaken outside of formal proceedings will be a cooperative effort between Contractor and the Government.

11.0 WARRANTY

The Government may accept the Contractor's standard commercial warranty for repairs. All assets returned under warranty shall be tested IAW Section 9.2. The warranty shall begin from the date the component is installed on the aircraft and extends for twelve (12) months after installation, unless corrosion or damage is found on the outside of the component.