LG-CSCI Delivery Order Competitive Bidding and Award Terms

Under LG-CSCI, ES3 PLG will implement purchasing policies and procedures that are compliant with the Defense Contract Management Agency (DCMA) Contractor Purchasing System Review (CSPR) Guidebook. As such, ES3 PLG will compete all work and negotiate all delivery orders.

To Receive Requests for Quote:
All companies must complete, sign, and return to ES3 PLG
  (1) this Bidding and Award Term sheet so that we know you will comply with the LG-CSCI bidding and data handling requirements,
  (2) the LG-CSCI Representations and Certifications Form and
  (3) this Bid and Award Term sheet
in order to receive Requests for Quote (RFQs) or any resulting delivery order.

Copies of these forms can be downloaded from the ES3 website at www.es3inc.com/partssupply/howtobidonlgcsciorders.php. When completing the LG-CSCI Reps & Certs Form, your company will specify the email address or addresses for receipt of RFQ's.

Request for Quote (RFQ):
Once the government has placed an order on the LG-CSCI contract, ES3 will send out an RFQ via email. This RFQ will include as attachments all applicable data such as:
  (1) the Screening Analysis Worksheet (SAW),
  (2) All applicable versions of drawings, Engineering Orders, (EOs), Advanced Engineering Supplemental Orders (AESOs), and other attachments listed on the EDL from JEDMICS
  (3) First Article Requirements, if any.

Each company will have 10 days from receipt of the RFQ to review the data and ensure it is current, clear, and complete. Questions and concerns raised within the 10-day review period will be immediately brought to the Government's attention. Any concerns raised after the 10-day review period will **not** be eligible for consideration as a Government caused delay.

The RFQ will make clear whether Progress Payments for forgings and/or material will be available for any particular order. ES3 PLG will allow progress payments for those suppliers with Government approved accounting systems or those ES3 PLG knows are fiscally reputable.

Offerors are to submit their bids via email to lgcsci@es3plg.com by the date/time specified in the RFQ.

Evaluation of Bids:
Per the preference stated in FAR 13.106 (a)(2) solicitations will be evaluated on the basis of Best Value. All factors will be weighed evenly unless otherwise specified on the RFQ. Per DFAR 252.244-7001 (c)(8) ES3 PLG will evaluate all bids received based on "price, quality, delivery, technical capabilities, and financial capabilities of competing vendors to ensure fair and reasonable prices".

Fair and Reasonable Pricing:
As per FAR 15.402 BUYER will ask and SELLERs shall supply the type and quantity of data necessary to conduct a price/cost analysis prior to award. SELLERs agree to supply any additional supporting documentation needed in order to further evaluate and make such a determination. Should any RFQ be for non-commercial items over $2,000,000 then Certified Cost or Pricing Data may be required.

Awards:
ES3 PLG will issue a written Purchase Order (PO) to the successful bidder. The PO will contain Contract Line Item Numbers (CLINs) that specific, quantity, delivery, packaging, marking, quality, and first article requirements.

All awards will be subject to the LG-CSCI Standard Terms & Conditions (T&C's) for Suppliers. A copy of the LG-CSCI Standard T&C's for Suppliers can be downloaded from the ES3 website at www.es3inc.com/partssupply/howtobidonlgcsciorders.php.

Performance Measurement & Penalty Application
A major objective of the LG-CSCI program is to improve On-Time Delivery (OTD). As such, OTD will be tracked for every Purchase Order.

Requirement Ratio Missed (RRM)   The RRM will be calculated by first dividing the total CLIN quantity delivered on or before the contractor proposed Production Lead Time (PLT) by the total CLIN quantity and then subtracting that amount from 1. For example, if CLIN 0001 was awarded for 100 ea. with a PLT of 75 days and the contractor delivered 80ea at the end of day 75, the RRM would equal .20. The measurement would be calculated using the following methodology:

$$RRM = 1 - \left(\frac{D}{C}\right)$$

> Where:
> D = Delivered by the proposed PLT
> C = Total CLIN quantity
> RRM = Requirement Ratio Missed

Days Late (DL) The DL will be calculated by subtracting the actual (calendar) days passed to deliver 100% of the CLIN quantity from the contractor proposed PLT. For example, if CLIN 0002 was awarded for 200ea with a PLT of 150 days and the contractor delivered 150ea at the end of

day 150 and the remaining 50ea was delivered by the end of day 220, the DL would equal 70. The measurement would be calculated using the following methodology:

$$DL = AD - PD$$

Where:
AD = Actual days (Calendar) taken to deliver 100% of the CLIN quantity
PD = Proposed PLT
DL = Days Late

Factors

$$DLF = .00005 \times (DL - 15)^{2.345}$$

$$RRMF = 8 \times RMM^{1.5}$$

Where:
DLF = Days Late Factor (max value 8)
RRMF = Requirement Ratio Missed Factor (max value 8)

Penalty Calculation

$$Penalty = .4 \times TCP \times \frac{DLF}{100} + .6 \times TCP \times \frac{RRMF}{100}$$

Where:
TCP = Total CLIN Price

As an example of how the calculations would work, a table is included highlighting examples of potential scenarios and the resulting outcome in the formula.

Variables				Factors (as %)		Penalty	Penalty as % of Order Total
Order Value	Order Qty	Delivered On-Time Qty	Days Late Delivery Completed	Days Late	Ratio		
$1,000,000.00	1500	1200	42	0.113637	0.715542	$4,747.80	0.47%
$500,000.00	750	0	0	0	0	-	0.00%
$615,168.00	980	975	65	0.482008	0.002915	$1,196.83	0.19%
$250,000.00	89	40	120	2.745737	3.268128	$7,647.93	3.06%
$1,650,000.00	6450	5200	95	1.451162	0.68252	$16,334.62	0.99%

Payment of Invoices
Under the LG-CSCI predecessor program, LGPVC, ES3 PLG earned an excellent reputation of full and rapid payment of supplier invoices. This is the only way we do business. The average ES3 PLG turn-around time for payment after receipt of a fully-compliant invoice is under 4 days.

Additionally, should you have any issues regarding the need for more rapid payment of any particular invoice, please contact us at ap@es3plg.com arrange for next day or even same day payment of invoices. We want the landing gear supplier base to grow stronger under LG-CSCI and we appreciate the role full and fast payments play in the health of suppliers, specifically small business suppliers.

All invoices will be paid via Automated Clearing House (ACH) for US based business and via Electronic Funds Transfer (EFT) for businesses based outside the US.   An ACH/EFT Authorization Agreement Form should be completed by all suppliers. The form can be downloaded at www.es3inc.com/partssupply/howtobidonlgcsciorders.php.

Data Rights Certification
All suppliers requesting to receive RFQs for LG-CSCI orders must acknowledge that technical data received from ES3 PLG is considered proprietary information. By signing and returning this document, your company hereby certifies that all technical data received from ES3 PLG used to develop a bid (the "**Data**") will; (a) only be disclosed to employees that need to know the contents of the Data, (b) refrain from tampering with any Data markings displayed on documents, and (c) comply with the requirement to destroy and remove from all storage locations Data after receipt of notification that your company was unsuccessful in its bid and will not be receiving an award.

Additionally, technical data exchanged during the LG-CSCI bid and award process may be subject to United States Export Control laws and regulations as currently enacted, or as subsequently modified. Accordingly, the supplier agrees to abide by all applicable U.S. export control law and regulations governing the transfer, export, or re-export of technical data.

Acknowledged and agreed by:

Company Name:

Printed Name of Authorized Individual:

Signature:

Title:

Date: