

***Contract Statement of Work (SOW)***

**Note:** For purposes of this SOW, the term “contractor” refers to each firm selected as a Primary Supplier (PS) or Secondary Supplier (SS). Unless otherwise noted, the requirements of this SOW shall apply to each PS and SS.

**DSCP PHARMACEUTICAL PRIME VENDOR SOW****1. Scope.**

**(a) Primary Supplier (PS).** Each regional PS shall provide to the Medical Treatment Facilities (MTFs) within its region, the pharmaceutical products, for which the PS has been authorized as a distributor under a DSCP Medical Distribution and Pricing Agreement (DAPA), Indefinite Delivery Type Contract (IDTC) or Department of Veterans Affairs (DVA) Federal Supply schedule (FSS). Each regional PS is responsible for providing each MTF’s normal day-to-day pharmaceutical requirements as well as the applicable region’s “Preplanned Surge” (Surge) requirements, if any, cited elsewhere in this SOW.

**(b) Secondary Supplier (SS).** Each regional SS shall provide to the MTFs within its region, those normal day-to-day pharmaceutical requirements that cannot be filled by the MTF’s regional PS. The regional SS shall provide only those pharmaceutical products for which it has been authorized as a distributor under a DSCP Medical DAPA, IDTC or DVA FSS. It is estimated that the value of such sales under a secondary contract may range from zero to 5% of the total sales estimated for the region. Examples of complete or partial orders for which the SS may receive orders are:

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

The SS shall not be responsible to provide support to the PS on the preplanned “Surge” Requirements contained in this SOW.

**2. Items Covered.**

**(a) Covered Items.** Only items appearing on a DSCP Medical Pharmaceutical DAPA, IDTC or DVA FSS shall be ordered and delivered under this contract. The contractor shall furnish the product from the specified DAPA holder, IDTC awardee or DVA FSS holder. At the time of award of a contract, DSCP will provide the contractor with a listing of all DAPAs, IDTCs and applicable DVA FSSs. All items are brand name specific or generic commercial products, which 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) Downloading of DAPA Database.** The contractor shall "download" the DSCP DAPA database on 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 October shall be available to the MTF on 1 November. The contractor agrees to implement either the ANSI X12 832 or 845 transaction set, which would allow for the electronic “downloading” of the DSCP DAPA database.

**(2) DAPA Price Decreases.** Notwithstanding the foregoing, a price decrease may be effective sooner, provided the DAPA holder and the contractor agree. In this case, however, the DAPA database and other DOD data repositories will reflect the higher price; only the contractor'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 contractor's distribution system before the effective date if:

- i) a DSCP Contracting Officer has added the item to the DAPA; and
- ii) the contractor and the DAPA holder agree.

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

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

**(e) MTF's Product Preference.** For those products in the DSCP DAPA database identified by a single NDC number, but available from more than one DAPA holder, the contractor shall recognize the DAPA number as denoting the MTF's preference.

**(f) DAPA Holder Product Liability Limit.** For those DAPA holders, which are identified as Small or Small Disadvantaged Business concerns by DSCP in the DSCP DAPA database, the contractor shall not require more than a maximum of \$1 million of product liability coverage per DAPA holder.

**(g) Contractor's "Regional" DAPA.** The contractor shall establish a Regional DAPA after award. This will make available to the MTFs those commercial items inventoried by the contractor, but not on any other DSCP DAPA or IDTC. The selling price for the item, exclusive of any contractor's distribution fee or the DSCP-Medical Cost Recovery Rate, **shall not exceed either:**

- (i) the Average Wholesale Price (AWP) \* less 15%; nor
- (ii) the price shown for the item in the contractor's Price & 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) Normal Day-To-Day Requirements.** The participating MTFs specified in attachments #10 thru #13 will act as ordering offices for the normal day-to-day requirements, in accordance with the terms and conditions set forth in the contract.

**(b) Surge Requirements (applies only to PS).** The ordering offices for the Surge requirements cited in the schedule are listed in paragraph 16 of this SOW, and also may include the United States Army Medical Materiel Agency (USAMMA) or the Air Force Medical Logistics Office (AFMLO), both of which are located at Fort Detrick, Maryland.

**(c) Addition/Deletion of Facilities.** 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 or delete facilities within the Region covered by the contract. Any such additions or deletions made by DSCP will occur within the geographical area identified in the contract. Such additions or deletions may result in a significant increase or decrease in the Government's contract estimate.

**(d) Ordering Methods.** Ordering will be accomplished as described in either paragraphs 7 or 8 of this SOW. The contractor must be able to accommodate either process. The preferred method is described in paragraph 8, entitled "EDI Ordering". The contractor may be required to allow both ordering techniques to be used concurrently on an individual contract.

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### **4. Implementation Plan.**

The contractor must submit a plan to the Contracting Officer outlining how it intends to implement the Prime Vendor Program at each of the MTFs 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.

### **5. Transition Period.**

**(a) Phase-In Process.** In the event that this solicitation results in a regional PS award to a firm other than the incumbent Prime Vendor Supplier for the region, the Government intends to: (i) make the award approximately 60 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 Supplier shall remain the principal source of pharmaceuticals for the region's MTFs. 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 cause.

**(b) Effective Date of Contract (Attachments #13 thru 15).** DSCP-Medical is realigning the regional boundaries of its Pharmaceutical Prime Vendor program to conform to the Military Services' TRICARE health system. Based on the preceding, the effective date of a contract will vary based on the facility involved. The effective date shall normally be the first day that a facility can order under the contract. The contract effective date for each facility shall be in accordance with Attachments #13, #14 or #15. In order to take into account the transition period, the contract shall begin on the date of award. Notwithstanding the contract's date of award, the effective base ordering period shall begin on the latest contract effective date for a facility listed in the contract and shall end 20 months later. This means the base period may exceed 20 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 20-month period.

**(c) "Back-Up" by PS.** From the approval of the PS's implementation plan until the effective date of the PS contract, the incoming PS may serve as a "back-up" to the incumbent Prime Vendor Supplier in those cases where an incumbent cannot fill an order.

**(d) Ordering Under SS Contract.** There shall be no ordering under the SS contract until the effective date of the SS contract.

**(e) Transition Costs.** All contract costs associated with the transition period shall be borne by the contractor.

### **6. Award Announcement.**

The Government reserves the right to require the contractor 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 contractor, DSCP and facilities within the region.

### **7. On-Line Electronic Order Entry (EOE) System.**

**(a) EOE Capability.** The contractor shall possess a fully operational on-line EOE system, which the MTFs under the contract can access. The contractor shall load the EOE system on an MTF provided PC. The contractor will provide a toll free number for placing orders.

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**(b) Delivery Order Numbers.** An individual delivery order number will be assigned to each delivery order by the MTF 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 delivery order and may be any combination of alphas and/or numerics.

The contractor's EOE system shall accommodate either the entire 17-character delivery order number, e.g. SP020096D7077B001, or the 4-character supplementary identification number, e.g. B001.

**(c) Contractor's Price & Product Catalog.** 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/or 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). For items that do not have NDC identifiers, the Universal Product Number (UPN) or manufacturer's part number shall be available as a basis for an item search. 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 order receipt point and shall not have to distinguish between the contractor's divisions when placing an order.

**(d) Updating of Contractor's Catalog.** The contractor's price & product catalog updates must be transmitted electronically.

**(e) Contractor's Catalog Prices.** 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, IDTC (or DVA FSS when applicable), plus
- (b) the contractor's distribution fee, plus
- (c) the applicable DSCP-Medical Cost Recovery Rate (CRR)

<u>Example:</u> Product Price	\$100.00
Contractor's Distribution Fee (-1.2%)	- 1.20
Subtotal	\$ 98.80
DSCP CRR (1.0%)	+ 1.01
Delivered Price	\$ 99.81

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: All ordering facilities will provide their own PCs, modems and printers unless the contractor furnishes equipment to such ordering facilities at no additional cost. Maintenance and repair of non-contractor furnished hardware and software shall be the responsibility of the ordering facility.

**(f) DSCP Access to Contractor's EOE System.** The contractor shall provide DSCP Medical with the ability to access the contractor's 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.

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

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**(g) Contractor-Furnished Software/Hardware.** If contractor-owned software and/or hardware is furnished to ordering facilities, the contractor shall be responsible for its 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. The software must be compatible for use on an IBM compatible 486 computer. 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.

**(h) Service/Repair of Contractor-Furnished Hardware.** If contractor-owned hardware is furnished, 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 hardware is not functioning properly, the contractor shall, within 24 hours after notification by the ordering facility, furnish a qualified representative to inspect the equipment & perform all repairs and adjustments necessary to restore the hardware to normal and efficient operating condition. If repair is not feasible, the contractor shall provide replacement hardware. By either repair or replacement, the ordering facility shall not be without an on-line EOE system for more than 48 hours.

**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.

**(i) EOE System Demonstration.** The contractor agrees to conduct a demonstration of its EOE system at DSCP in Philadelphia, at the Contracting Officer's discretion.

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

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 contractor 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.

**(k) SS Software.** The SS shall be responsible for providing every MTF's ordering office with the necessary software to enable direct ordering via computer using the SS's proprietary electronic order entry system.

**8. Electronic Data Interchange (EDI) Ordering.**

**(a) ANSI X12.** The contractor shall implement EDI ANSI X12 850 Purchase Order and 855 Order Acknowledgments defined in the Federal Implementation Convention (FIC), version 3050, or within the definition expressed in any later FIC version as directed by the Contracting Officer. The 3050 version is currently described in DoD Medical Prime Vendor EDI Implementation Guidelines, version 3.1. These standards require the following:

**(i) Order Confirmation.** The product number on the order confirmation shall 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 contractor, 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.

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**(ii) Product Number.** 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 identification. If this DAPA identifier appears on the 850, it shall appear on the 855.

**(iii) 855 Transaction Set.** 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(e) of this statement of work.

**(iv) Identifier Codes.** The Implementation Guidelines require 2 types of customer identifier codes on the 850:

### Senders code

The use of DUNS + 4 number, where the DUNS is the unique number assigned by Dun & Bradstreet to the ordering activity and the "plus 4" identifies the type of order submitted. The types and "plus 4" definitions are:

JITO (next day delivery)	0001
EDO * (extended delivery)	0002
Surge	0003
Drop Shipment	0004

\*Not applicable to pharmaceutical contracts

### Customer Identification code

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

Both the sender code and customer identification codes will be provided to the contractor during site preparations.

**(v) Line Item Number.** Within both the 850 Purchase Order and the 855 Order Acknowledgment, a separate line item number shall identify each product on the order.

**(vi) Line Item Status Codes.** Status codes identified on page 3-18 of the Implementation Guidelines shall be used on the 855 for each line item ordered on the 850. Some proposed ANSI X12 codes are included; they should be provided by the contractor if possible, but are not mandatory at this time.

**(vii) Test Account.** A test account for use by the Government's systems consultant and integrator for testing the ANSI X12 version 3050, 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 contractor.

**(b) Transmission of Orders & Acknowledgements.** Within the Continental United States (CONUS), Hawaii, and Alaska, the electronic orders from the ordering point and the acknowledgments from the contractor may be transmitted direct or through a Value Added Network (VAN). The direct connect options are asynchronous modem dial-up or FTP (File Transfer Protocol). For direct connects, all 850 order transmissions will be initiated by the MTF (ordering point), and all 855 order acknowledgment transmissions will be initiated by the contractor. This will require establishment and maintenance of user identifications (ID's) and passwords for both the MTF and the contractor. DoD will provide technical assistance to the contractor in implementing direct connections. If a contractor chooses to use a VAN, the services of the Defense Automatic Addressing System Center (DAASC) located in Dayton, Ohio, will be provided on a no cost basis to the contractor. The contractor may connect to DAASC using FTP, asynchronous, or bisynchronous modem dial-up. 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 transmission costs. As an alternate to the DAASC VAN, the Government reserves the future right to select another Government electronic commerce infrastructure of its choice.

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.

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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 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 Contracting Officer Technical Representative (COTR) responsible for providing technical information on connections to the DAASC VAN.

### **(c) DMLSS Requirements for Military MTFs.** DMLSS (Defense Medical Logistics Standard Support).

**PS.** For those military facilities that participate in the DMLSS program, which is a tri-service standard medical logistics automated information system with enhanced ordering capability, the PS's proprietary electronic ordering system (EOES) will be unnecessary in the order process. However, while not a part of the DMLSS client server architecture, the EOES may continue to reside on PCs located at the military facilities, if requested by the facility. The requirement that the contractor supply and maintain proprietary software, described more fully in paragraph 7 of this SOW, equally applies to these optional EOESs.

The PS shall implement the Defense Medical Logistics Standard Support (DMLSS) Program EDI Implementation Guidelines (IG) for the ANSI X12, version 4010, 850 Purchase Order and 855 Purchase Order Acknowledgment. The DMLSS EDI IG complies with the Federal Government's Implementation Convention (Fed IC) for version 4010. The document, incorporated by this reference, entitled "DoD Medical Prime Vendor EDI Implementation Guidelines Version 4010\_0" dated November 1998, is hereby made a part of any resultant contract. Note that the word "acknowledgment" as used herein, is synonymous with the word "confirmation" as it appears in the contract.

The PS shall implement DMLSS Version 4010\_0, 850 and 855 maps by the date ordering commences under the individual PS regional contract. The Government will provide the PS with 14-calendar day written notification of required 4010 map implementation on a site-by-site basis.

The DMLSS 4010\_0 IG standards require:

- (1) The product number on the order confirmation must match the product number on the purchase order. For example, if an NDC is sent to the Prime Vendor, an NDC must be returned to the customer on the 855. In the case of a UPN, if a UCC is sent to the PS, a UCC must be returned to the MTF on the 855 and if a HIBC number is sent on the 850, a HIBC number must be returned on the 855. The only exception to this rule is for pre-authorized substitutes. Product number qualifiers can be found on page 2-15 of the referenced guidelines (please refer to the PO106 data element). Compliance with this paragraph applies to testing as well as to implementation.
- (2) Each product number (NDC, ISBN, UCC, HIBC, Vendor's Catalog Number) will have a seven position alpha-numeric DAPA number (also referred to as a DAPA designator) identified on the 850 as a further refinement of product to source-of-supply identification. The DAPA designator shall be returned on the 855 for non-substituted product numbers.
- (3) The 855 will contain the delivered price of each item ordered; combining the DAPA price of the item, the Prime Vendor's distribution fee and the DSCP cost recovery factor.
- (4) The 4010\_0 IG requires two types of customer identifier coding on the 850:
  - (i) Sender Code (segments ISA and GS)

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The use of DUNS and DUNS Plus Suffix in ISA06 and GS02, where DUNS is the unique number assigned by Dun & Bradstreet to the ordering activity and the "DUNS Plus Suffix" identifies both the ordering activity and the type of order submitted. The types and "Plus Suffix" definitions are:

JIT	Just-in-Time (next day delivery)
EDO	Extended Delivery Order *
DRS	Drop Ship
SUR	Surge

\* not applicable to pharmaceutical Prime Vendor contracts

For example, the DUNS Plus Suffix number in the EDI 850 transaction set for a JIT Order for Naval Medical Center, Material Management Dept., Building 250, Portsmouth, VA 23708 would appear as: 115260093JIT (13 alpha-numeric, no dashes, no +).

Note: Delivery Order Type Code (segment N9)

The delivery order type will also be expressed in N902 as follows:

JIT	JITO (next day delivery)
EDO	Extended Delivery Order *
DRS	Drop Ship
SUR	Surge

\* not applicable to pharmaceutical Prime Vendor contracts

(ii) **Customer Identification Code (segment N1)**

The use of a four-to-six position alpha-numeric in N104 identifies an ordering point within a single ordering activity identified in ISA06 and GS02. This number may be called a DODAAC elsewhere in the contract. The contractor must be able to accept and cross reference this customer identification code to the contractor's internal system account number for the ordering point. Both the sender and customer identification codes will be provided to the contractor 14 calendar days prior to activation.

(5) Within both the 850 and 855, a separate line item number shall identify each product on the order.

(6) Status codes identified on page 3-15 (please reference the ACK01 data element) of the IG shall be used on the 855 for each item ordered on the 850.

**PS.** For those military facilities that do not participate in the DMLSS program, and for non-military MTFs, the PS shall provide to such MTFs the necessary software to enable direct ordering via computer using the PS's proprietary electronic order entry system.

**SS.** There are no DMLSS requirements for the SS. The SS shall provide to every MTF the necessary software to enable direct ordering via computer using the SS's proprietary electronic order entry system.

**9. Additional Requirements.** The contractor agrees to do the following:

(a) **"Just-In-Time" Orders (JITO).** Fill 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

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need requiring an immediate use for direct patient care. The contractor need not process an order due to lack of planning by the customer as an emergency.

(i) **“Fill-Or-Kill”**. Furnish supplies on a "fill-or-kill" basis. If an order for an item cannot be filled by the contractor 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 contractor 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) **Substitutes**. Furnish only pre-authorized substitutes under the contract

(iii) **One Shipment Per Order**. Make only one shipment per order, unless authorized by the ordering activity. If more than one delivery per order is authorized, these multiple shipments shall have the same delivery order number and invoice number.

(iv) **Fill-Rates** (does not apply to “Surge” Requirements). 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

(v) **Fill-Rate Calculation**. 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 contractor has been authorized as a distributor. The Fill-Rate requirement is predicated upon ordering activities providing the contractor 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 contractor 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 contractor 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;

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(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 contractor by the ordering activity;

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

**(b) Expiration Date/Shelf Life** (does not apply to "Surge" Requirements). 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.

**(c) Orders/Invoices for Program Items.** Accept delivery orders and invoice only for products that are part of the DSCP Medical Prime Vendor Program. Except as described in paragraph 2, the contractor shall only deliver DSCP Prime Vendor Program items that are on a DAPA (including a regional DAPA), IDTC or authorized DVA FSS.

**(d) Receipt of Routine Orders.** Accept receipt of routine orders between the hours of 8:00 A.M. and 5:00 P.M., local (customer) ordering facility time, Monday through Friday (normal business days).

**(e) Receipt of Emergency Orders.** Accept receipt of emergency orders, 24 hours a day, 7 days per week.

**(f) Receipt of Surge Orders** (applies only to PS). Accept receipt of surge requirements, 24 hours a day, 7 days per week.

**(g) Timeframe for Order Placement.** Accept orders placed up to and including the last day of the contract period.

**(h) Order Receipt Point.** Allow the ordering facility to be able to place their order to a single contractor order receipt point and not have to distinguish between the contractor's divisions when placing an order.

**(i) Order Confirmation.** Return an electronic order confirmation via the EOES to the customer within two hours, when the customer places an order using the contractor's proprietary EOES. When the customer places an EDI ANSI X12 850 Purchase Order, the contractor 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.

**(j) Delivery of Routine Orders – other than Coast Guard (Attachments # 13, #14 or #15).** In accordance with Attachments #13, #14 or #15, deliver all routine orders for an ordering facility's normal day-to-day requirements to the receiving location cited in the contract on the next business day following placement of the order (normally Monday through Friday). At the option of the ordering facility, it may authorize a longer delivery timeframe for a specific delivery order.

**(k) Delivery of Routine Orders – Coast Guard only (Attachment #13).** In accordance with Attachment #13, deliver all routine orders for the Coast Guard's normal day-to-day requirements to the receiving locations cited in the contract within 3 business days following placement of the order (normally Monday thru Friday). At the option of the ordering facility, it may authorize a longer delivery timeframe for a specific delivery order.

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**(l) Delivery of Surge Orders** (applies only to the PS). The PS shall deliver all surge requirements within the timeframes cited in paragraph 16 of this SOW. Surge deliveries shall be made on weekends and/or holidays, if necessary, to meet the required delivery times.

**(m) Delivery of Emergency Orders.** Deliver all emergency orders for the receiving locations cited on the contract within 6 hours following placement of the order. However, if both the ordering facility and the contractor agree, the ordering facility shall have the ability to pick up an emergency order at the contractor's distribution center.

**(n) "No Charge" Emergency Orders—other than Coast Guard.** The contractor shall provide a minimum of two emergency shipments per month to each of the ordering facilities at no additional transportation/handling charges to the facility. Any additional emergency shipments requested by the ordering facility more than two per month can be charged to the facility, including all applicable transportation and handling costs, as agreed to between the ordering facility and the contractor. The contractor shall provide each ordering facility with the telephone number and/or pager number of the contractor's representative responsible for providing the emergency service.

**(o) "No Charge" Emergency Orders—Coast Guard only.** The contractor shall provide emergency shipments to the Coast Guard when requested by them. However, all of the emergency shipments requested by the Coast Guard can be charged to their ordering facility, including all applicable transportation and handling costs, as agreed to between the ordering facility and the contractor. The contractor shall provide the Coast Guard with the telephone number and/or pager number of the contractor's representative responsible for providing the emergency service.

**(p) Electronic Invoices.** 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 (contractor & Government) shall be responsible for the costs of its VAN for invoicing purposes.

**(q) One Invoice Per Order.** Submit only one electronic invoice per delivery order. The total dollar value cited on an invoice shall be based solely on the product prices, as cited in a DSCP Medical DAPA or IDTC, plus the contractor's distribution fee. 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 contractor's financial institution 15 days after receipt of a confirmed invoice, or supplies, if drop shipped, whichever is later.

**(r) Drop Shipments.** Accept drop shipments of items from the DAPA/IDTC/DVA FSS holder directly to the ordering activity, provided:

- i) the ordering facility, contractor and DAPA/IDTC/DVA FSS holder agree to the use of a drop shipment and a delivery timeframe;
- ii) a separate delivery order is placed with the contractor 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 contractor 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.

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

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**(s) Product Recall Notification.** 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 facility;
- (ii) DSCP Pharmaceutical Products Group (DSCP-MGB),  
700 Robbins Avenue, Philadelphia, PA 19111  
(fax 215-737-2828 or -8050);
- (iii) Defense Medical Standardization Board  
Ft. Detrick,  
Frederick, MD 21702-5013; (mail only)
- (iv) Naval Medical Logistics Command, Code 6  
Ft. Detrick  
Frederick, MD 21702-5013  
(fax # 301-619-3087);
- (v) Air Force Medical Logistics Office  
Attn: FOM-P, Ft. Detrick,  
Frederick, MD 21702-5013  
(fax # 301-619-2557);
- (vi) U.S. Army Medical Materiel Agency  
Attn: MCMR-MMO-TC, Ft. Detrick  
Frederick, MD 21702-5013  
(fax # 301-619-2938).

**(t) Manufacturer-Backordered Items.** Notify each ordering activity of any manufacturer backordered item on its usage reports, along with an anticipated back order release date, if known.

**(u) Substitutions.** Provide a substitute or different brand or generic product for the specified product ordered only with permission from the ordering facility or the DSCP Contracting Officer.

**(v) Reorders.** 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 PS under a new call for drop shipment. In this case, all conditions of the drop shipment provision in this Statement of Work applies.

**(w) Mentoring Business Agreements.** During the term of the contract, the contractor agrees to establish & maintain one or more mentoring agreements that will provide development assistance to small business, small disadvantaged business and/or woman-owned small business concerns or Javits-Wagner-O'Day (JWOD) qualified nonprofit entity in return for value added services and/or products.

**10. Packing Lists/Slips.**

**(a) Packing List/Slip Information.** A packing list/slip shall be enclosed with each shipped order containing the following information, as a minimum: Contractor'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 shall be duplicated on the packing slip. The prices shown on the packing list/slip must be identical to the prices confirmed back to the ordering office.

Note to contractor: Discrepancies between the confirmed and invoice prices may result in a delay in payment.

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**(b) Special Handling & Storage Items.** When an order contains items requiring special handling and storage, the contractor 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) Controlled Substances.** When an order contains a Controlled Substance, the contractor shall annotate such items on its packing list with the following statement:

"CONTROLLED SUBSTANCE REQUIRES \_\_\_\_\_\*\_\_\_\_\_ STORAGE."

\* Contractor 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.

**11. Preservation, Packaging, and Marking** (does not apply to "Surge" Requirements).

**(a) Degree of Protection.** 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 contractor 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) Specialized Packaging & Marking Items.** 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) Biohazardous Items.** 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) Separate Shipment Items.** All products discussed in 11(b) & 11(c) above shall be separately shipped as required by statute, regulation, or industry standard.

**(e) Emergency Orders.** All shipping containers on emergency orders shall indicate that it is an emergency delivery.

**12. Material Safety Data Sheets and Hazardous Material.**

**(a) Definition.** 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).** 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.

***Contract Statement of Work (SOW)***

**(c) Hazard Warning Labels (HWLs).** The contractor 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.

**(d) Furnishing of MSDSs & HWLs.** The contractor shall obtain MSDSs and HWLs (if required) for any hazardous material it provides under this contract. At a minimum, the contractor 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, upon specific request. The contractor shall maintain a file of all MSDSs and HWLs (if required) from suppliers providing hazardous material. The contractor shall also assure that all hazardous material is labeled correctly.

**13. Training and Sales Visits.**

**(a) Training Program.** The contractor shall 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 contractor'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 contractor's EOE system. A contact person and telephone number must be provided in the event additional instruction is necessary.

**(b) Training Manuals.** For those ordering sites using a proprietary electronic order entry system, described in paragraph 7, the contractor shall 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) Contractor Sales Representatives/Visits—other than Coast Guard.** The contractor shall have a contractor's representative make a minimum of one scheduled sales visit per month to each customer cited as an ordering facility on the contract. The contractor 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.

**(d) Contractor Sales Representatives/Visits—Coast Guard only.** The contractor shall have a sales representative contact the Coast Guard ordering facility at least once a month. Contractor support may be provided either by telephone or in person, at the option of the contractor.

**(e) "In-Process Review" (IPR) Meetings.** At the option of the Government, the contractor agrees to participate in IPRs to discuss its performance under the contract. An IPR will be conducted during both the base ordering period and the first option period of the contract. The IPR will be held at a location within the geographical scope of the 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 contractor's presence shall include the customer representative(s), required by paragraphs 13(c) & (d) above.

**(f) Additional Visits/Meetings.** The contractor agrees to provide additional visits or attend meetings that may be requested at the discretion of the ordering facility or DSCP Contracting Officer.

**(g) Cost of Training, Meetings & Visits.** All costs incurred by the contractor to comply with the SOW's training, visits & meetings requirements shall be borne by the contractor.

**Contract Statement of Work (SOW)****14. Discrepant Orders and Returned Goods.**

**(a) Conditions.** If requested by the ordering facility, the contractor will accept returns for replacement under the following conditions:

- i) products that were shipped in error;
- ii) products that were damaged in shipment;
- iii) products that had concealed shipping damages;
- iv) products that did not meet the expiration/shelf life dating requirements of the contract, unless otherwise authorized by the ordering facility or DSCP Contracting Officer.
- v) products that 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 contractor'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 contractor has an ongoing return goods program with the manufacturer of those products. The contractor shall provide the ordering offices with a list of these manufacturers; and
- viii) other conditions consistent with the contractor's normal return policy.

Discrepant goods will be held by the receiving point subject to contractor's disposition instructions for not more than 15 days, after which the discrepant merchandise will be returned to the contractor's address at the contractor's expense. Expenses incident to the examination and testing of materials or supplies that have been rejected will be the responsibility of the contractor.

If the ordering activity does not need replacement of the returned products, the contractor 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 contractor. The contractor will not include this "open credit" amount in its invoice.

**(b) Payment of Contractor.** DSCP will pay the contractor only for material the ordering facility has received and accepted. Customers shall report all discrepancies to the contractor.

**(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 facility on the contract. The contractor shall notify both the customer and the DSCP 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 contractor and the customer and does not involve the DSCP invoicing and payment system. The contractor 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) In the event that any credit amount remains unliquidated for 91 days, the contractor 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 facility and the Contracting Officer.

iii) In the event either the ordering facility or the contractor fails to liquidate the credit account, described in either paragraph above, the contractor 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.

**Contract Statement of Work (SOW)****15. Reporting Requirements.**

The contractor shall provide or participate in the following:

**(a) Studies/Surveys.** The contractor agrees to cooperate in studies or surveys in order to allow the Government to determine the extent of subcontracting opportunities identified under the contract.

**(b) Subcontracting Reports.** The contractor shall submit semi-annual performance reports to the DSCP contracting officer regarding its subcontracting support of small, small disadvantaged and women-owned small business concerns as well as JWOD entities.

**(c) Quarterly Usage Report.** For the purposes of establishing a military readiness posture, for all NDCs under this contract, the contractor shall provide on a quarterly basis the average individual monthly usage (based on the quantity of units sold) for both commercial and Government sales. An ANSI file containing the NDC and quantity shall be provided to the DSCP Contracting Officer within 30 days of the initial request.

**(d) Detailed Monthly Fill-Rate Report:**

In accordance with the fill rate formula cited in this SOW, the contractor 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 DSCP Contracting Officer when so requested.

**(e) Abbreviated Monthly Fill-Rate Data.** 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 (DDMMYYYY)	9
End of Reporting Period (DDMMYYYY)	9
DODAAC (none if for contract rate overall) <sup>1</sup>	6
Calculated Fill Rate <sup>2</sup>	5
Contractor-Assigned Customer Account Number (none if for contract overall)	20

<sup>1</sup> May be a Dun & Bradstreet number or any other Government assigned identifier

<sup>2</sup> 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.

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(f) **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 (DDMMMYYYY)	9
Delivery Date (DDMMMYYYY)	9
Department of Defense Activity Address Code (DODAAC)	6
Contractor-Assigned Account/Customer Number	v20
National Drug Code (NDC)	11
Universal Product Number (UPN) <sup>3</sup> (including any + sign) NOTE: The UPN in the 850 and 855 will not contain the + sign.	v20
Manufacturer's Part Number	v17
DAPA or IDTC Number	13
Unit Sold	2
Quantity Ordered in Unit Sold	8
Quantity Ordered in Unit Sold <sup>4</sup>	8
Manufacturer's Backorder <sup>5</sup>	1
Total Price (charged customer) <sup>6</sup>	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) <sup>7</sup>	1

(g) **Data Requirements.** The data required in paragraphs (d) & (e) above shall be provided as follows:

(i) Data shall be submitted on a monthly basis no later than the 20<sup>th</sup> 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 over the Internet or via DSCP's Medical modem pool). Communications protocol shall be provided to the contractor 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 contractor'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 data to DSCP in a hard copy printed form and/or via diskettes is unacceptable. During the term of the contract, if there is a change in either the data or the mode of transmission to DSCP, an equitable adjustment will be negotiated with the contractor, as appropriate.

<sup>3</sup> UPN includes UCC/EAN (of which the Universal Product Code (UPC) is a subset) or HIBC number.

<sup>4</sup> Negative value if inventory adjustment.

<sup>5</sup> Indicates manufacturer is unable to supply the quantities ordered by the contractor.

<sup>6</sup> Total Price of the line item including the contractor Distribution fee and the DSCP-Medical Cost Recovery Rate.

<sup>7</sup> Medical/Surgical contracts only; does not apply to Pharmaceutical Prime Vendor contracts.

**Contract Statement of Work (SOW)****16. PREPLANNED SURGE REQUIREMENTS** (applies only to the Primary Supplier[s] for the TRICARE Southwest & TRICARE Central #1 Regions).

**(a) Applicability.** "Preplanned" denotes that the PS will receive 60 days notification of any change in the Surge requirements. Each PS for the TRICARE Southwest & TRICARE Central #1 regions shall comply with the requirements of this section. The Government reserves the right at any time to add, change or delete the contract's preplanned surge requirements for the Region.

**(b) 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 (or 3 working days, excluding holidays & weekends) after a "Surge" order is received and authenticated.

**(c) Type of Products.** All Packages and Sets will consist of commercial materiel listed on DSCP-Medical DAPAs or IDTCs or on DVA FSSs. Listed below are the types of requirements, which could be ordered from the PS for rapid response. During the term of the contract, item selection may change per Package or Set as well as the total number of preplanned packages or sets.

**(d) List of "Surge" Requirements.**

**(i) Air Force.** Below is a list of the type and quantity of Packages and Sets comprising the Air Force Surge requirements for each of the above-cited regions. The quantities given, represent the maximum number of Packages and Sets the Air Force anticipates ordering within a 30-day period. The PS shall ensure that the items ordered for a Package or Set are delivered to the receiving activity within 72 hours or 3 working days after receiving the order unless otherwise instructed. The PS shall have the capability to assemble pharmaceuticals for the following Packages and Sets in the time phases listed

AIR FORCE							
Packages & Sets Supported through Day 30							
Package or Set Number	Package or Set Nomenclature	Number of Packages & Sets	Time Phase (In Days)				
			3	5	10	15	20
<b>Tricare Southwest Region Requirements</b> (Line Items #0001BA thru #0001CC)							
887A	Inflight Kit	2	0	0	0	0	2
896AZ	Total 1 <sup>st</sup> Increment 50 Bed ATH	4	0	0	1	0	3
896BZ	Total 2 <sup>nd</sup> Increment 50 Bed ATH	4	1	0	0	0	3
896CZ	Total 3 <sup>rd</sup> Increment 50 Bed ATH	5	1	1	0	0	3
900C	Hospital Surgical Expansion Package	4	3	0	0	0	1
903D	250 Bed ASF	1	0	0	0	0	1
903J	50 Bed Mobile ASF	6	3	2	0	1	0
903K	Resupply for 50 Bed Mobile ASF	80	2	2	0	1	75
<b>Tricare Central #1 Region Requirements</b> (Line Items #0002BA thru #0002CC)							
887A	Inflight Kit	2	0	0	0	0	2
896AZ	Total 1 <sup>st</sup> Increment 50 Bed ATH	4	3	0	0	0	1
896BZ	Total 2 <sup>nd</sup> Increment 50 Bed ATH	4	3	0	0	0	1
896CZ	Total 3 <sup>rd</sup> Increment 50 Bed ATH	3	3	0	0	0	0
903J	50 Bed Mobile ASF	1	0	0	0	0	1
903K	Resupply for 50 Bed Mobile ASF	1	0	0	0	0	1

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(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:

<b>ARMY</b>		
<b>Unit Assemblages (UA's) Supported through Day 31</b>		
<b>TRICARE Southwest &amp; TRICARE Central #1 Regional Requirements (Line Items #0001BA thru 0001CC &amp; #0002BA thru #0002CC)</b>		
<b>UA Number</b>	<b>UA Nomenclature</b>	<b>Maximum Number of UA's Assembled in 31 Days</b>
0246	SURGICAL INSTRUMENT SUPPLY SET, INDIVIDUAL	1108
0249	MES CHEMICAL PATIENT TREATMENT	391
0256	MES GROUND AMBULANCE	888
0261	MES PATIENT HOLDING SQUAD, LIGHT	38
0264	MES TRAUMA FIELD (2)	368
0265	MES SICK CALL FIELD (2)	368
0311	MES BATTALION AID STATION	47
1207	MED EQUIPMENT SET EPIDEM SER	2
1324	OPTOMETRY EQUIPMENT SET (R-1)	4
1725	DES OPERATING FIELD LIGHTWEIGHT, FIELD	19
7009	MEDICAL EQUIPMENT SET, FLIGHT, SURGICAL	57
7035	DENTAL SUPPLY EMERGENCY REPAIR	19
7079	DENTAL INSTRUMENT EMERGENCY, FIELD	19
7115	RODENT SURVEY SET	6
7124	ENTOMOLOGICAL KIT, FIELD	6

NOTE: Should the need arise, the Government may order the above-listed Army requirements for both regions concurrently. Based on the preceding, if the selected PS for the TRICARE Southwest Region is the same as for the TRICARE Central #1 Region, the PS would be required to deliver the ordered Army surge requirements for the TRICARE Southwest region as well as for the TRICARE Central #1 region at the same time.

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

See next page.

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**Army Unit Assemblage Planning Document  
Time Phased Concept of Support  
TRICARE Southwest & TRICARE Central #1 Regions**

UA	UA Nomenclature	NSN	Fill Rate	Initial Order Day-Day 0	Time Phase (in Days)													Totals	
					1	2	3	5	10	11	15	16	20	21	25	26	30		31
0246	Surgical Instrument Supply Set Individual	6545-01-141-9470	100%				83	83	83	12	83	12	83	105	83	105	83	293	<b>1108</b>
0249	MES Chemical Patient Treatment Set	6545-01-141-9469	100%				32	32	32	2	32	2	32	31	32	31	32	101	<b>391</b>
0256	MES Ground Ambulance	6545-01-141-9476	100%				84	84	84	0	84	0	84	50	84	50	84	200	<b>888</b>
0261	MES Patient Holding Squad Light	6545-01-192-1900	100%				2	2	2	0	2	0	2	4	2	4	2	16	<b>38</b>
0264	MES Trauma Field (2)	6545-01-228-1887	100%				31	31	31	1	31	1	31	25	31	25	31	99	<b>368</b>
0265	MES Sick Call (2)	6545-01-228-1886	100%				31	31	31	1	31	1	31	25	31	25	31	99	<b>368</b>
0311	MES Battalion Aid Station	6545-01-100-1675	100%				5	5	5	1	5	1	5	1	5	1	5	8	<b>47</b>
1207	Medical Equipment Set Epiderm Ser	6545-00-935-9882	100%				0	0	0	0	0	0	0	0	0	0	0	2	<b>2</b>
1324	Optometry Equipment Set (R-1)	6545-01-131-2633	100%				0	0	0	0	0	0	0	0	0	0	0	4	<b>4</b>
1725	DES Operating Field Lightweight	6545-01-191-8973	100%				1	1	1	0	1	0	1	2	1	2	1	8	<b>19</b>
7009	Medical Equipment Set Flight Surgical	6545-00-297-0033	100%				6	6	6	1	6	1	6	1	6	1	6	11	<b>57</b>
7035	Dental Supply Emergency Repair	6545-00-753-4875	100%				1	1	1	0	1	0	1	2	1	2	1	8	<b>19</b>
7079	Dental Instrument Emergency Field	6545-00-927-4840	100%				1	1	1	0	1	0	1	2	1	2	1	8	<b>19</b>
7115	Rodent Survey Set	6545-00-952-2175	100%				0	0	0	0	0	0	0	0	0	0	0	6	<b>6</b>
7124	Entomological Kit Field	6545-00-982-4121	100%				0	0	0	0	0	0	0	0	0	0	0	6	<b>6</b>
<b>Totals:</b>							277	277	277	18	277	34	277	248	277	248	277	869	<b>3340</b>

A. For Example: The Primary Supplier is required to have after receipt of first order no more than 84 Sets of UA 0256 ready for shipment by Day 3 (72 hours or 3 work days), and another 84 sets ready by Day 5, 84 sets ready by Day 10, 84 sets ready by Day 15, 84 sets ready Day 20, 50 sets ready by Day 21, 84 sets ready by Day 25, 50 sets ready by Day 26, 84 sets ready by Day 30, and 200 sets ready by Day 31 for a Total Minimum UA quantity of 888 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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(d) **“Surge” 100% Fill-Rate/Component Breakdown.** All Air Force packages & sets must be able to be ordered as individual packages, sets or individual components. 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. Details concerning the components for the Air Force Surge Packages & Sets and the Army Assemblages are listed in the following Attachments to this Statement of Work & shall apply to the resultant contracts:

**#1 Air Force Basic Document** – list of components for each Air Force Package & Set.

**#2 Air Force Alternate NDCs** – list of recommended & alternate NDCs for the components listed in the Air Force Basic Document. The PS shall use these equivalent substitutes to fill shortages that exist for the identified component item.

**#3 Air Force Surge Requirement By Unit Assemblage** – list of components for each Air Force Package & Set along with the quantities required per Package & Set in 3, 5, 10, 15 & 20 days and the estimated dollar value.

**#4 Air Force Total Quantity Phased by NSN-Southwest Region** – lists the total quantity for each component in the Air Force’s Packages & Sets required for the Southwest Region.

**#5 Air Force Total Quantity Phased by NSN-Central #1 Region** – lists the total quantity for each component in the Air Force’s Packages & Sets required for the Central #1 Region.

**#6 Army Basic Document** – list of components for each Army Unit Assemblage.

**#7 Army Alternate NDCs** – list of recommended & alternate NDCs for the components listed in the Army Basic Document. The PS shall use these equivalent substitutes to fill shortages that exist for the identified component item.

**#8 Army Surge Requirement By Unit Assemblage (UA)** – lists the components for each Army UA along with the quantities required in 3, 5, 10, 15 & 20 days and the estimated dollar value.

**#9 Army Total Quantity Phased by NSN** – lists the total quantity for each component in the Army’s UAs.

(e) **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.

(f) **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.

(g) **Approved Surge Requests.** The PS shall only process Air Force & Army Surge supply requests approved by USAMMA & AFMLO, respectively. If the PS receives a surge request, but no approval from USAMMA or AFMLO, the PS shall contact the DSCP Contracting Officer or the USAMMA or AFMLO Prime Vendor Surge Contracting Officer Representative at (301) 619-4347 and request validation.

(h) **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 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/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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**(i) Surge Packaging.** The Air Force's Package(s) & Set(s) as well as the Army's UA(s) shall be packaged as complete, individual sets. The exterior of the set package shall be marked with the "Package, Set or UA NSN" and "Package, Set or UA Nomenclature". In cases where the Package, Set or UA comprises more than one box, the contractor shall mark each box with the "Package, Set or UA NSN", "Package, Set 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.

**(j) 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.

**(k) Packaging/Packing of Surge Requirements.**

**Air Force Surge Requirements:** Once assembled, materiel ordered to support an Air Force surge requirement shall be packaged and packed in commercially standard shipping container(s) used for transport by land, sea or air carriers to protect from damage and breakage and ensure safe delivery.

**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.

**(l) 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 commercial shipping container (Air Force) or 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 commercial container or tri-wall. Additionally, the exterior of each commercial container or 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):

- 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.

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**(m) Surge Exercise & Testing:** At any time during the term of the contract, the Government reserves the right to exercise this capability by placing a surge order with the PS 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.

**(n) Radio-Frequency (RF) Equipment.** 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.

(ATTACHMENTS, WHICH ARE A PART OF THIS STATEMENT OF WORK,  
BEGIN ON THE FOLLOWING PAGE)

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