

PERFORMANCE WORK STATEMENT

Paint Services in Support of the HC-144 Aircraft

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1.0 BACKGROUND:

The USCG operates eighteen HC-144 (CN-235, series 300M) aircraft manufactured by Airbus Military, Seville, Spain. The base CASA CN-235M aircraft provided the foundation; changes to the configuration and the addition of supplementary systems have been combined resulting in the 300M series CG01 version of the CN-235M, the USCG HC-144 Maritime Patrol Aircraft. These aircraft became operational in 2008, undergo Programmed Depot Maintenance Inspection (PDM) at USCG Aviation Logistics Center (ALC) every four (4) years, and will require external paint refurbishment. The USCG's missions consistently expose these aircraft to harsh saltwater environments.

2.0 SERVICES:

- 2.1 Contractor shall be a Federal Aviation Administration (FAA) certified 145 center with an onsite de-paint and paint facility with the capabilities and equipment to perform minor aircraft maintenance as described in paragraph 7.0.
- 2.2 The contractor shall provide all services necessary to prepare, scuff sand or de-paint coatings, and externally paint the HC-144 aircraft, or other USCG airframes, in accordance with (IAW) the following. For HC-144 aircraft: ALC's HC-144 paint drawings 1100-11-1 (Paint and Detail Drawing) and

1100-11-2 (Exterior Placards and Markings Stencils), Government published standards, CN-235 technical orders applicable to the CN-235 Model 300M Series CG01 version, and associated maintenance requirements listed in this performance work statement. Best commercial practices may be employed upon approval of USCG Engineering.

Note 1: The USCG will inspect and paint the following areas during depot maintenance: Engines (propeller cap, and propellers), interior and frames of crew entrance doors, escape hatches and cargo ramp, landing gear and interior landing gear wells, flight control surfaces (ailerons, elevators, rudder, flaps) and their leading edge box structures, antennas and radomes during PDM. These areas do not require de-painting or painting by the contractor.

Note 2: The aircraft's exterior surface has numerous areas of composite materials. Location and type of composite materials can be found in the CN-235 Structural Repair Manual

Note 3: The addition of any other USCG airframes would be negotiated separately prior to incorporation into the contract.

2.3 Contractor shall perform one (1) of the following options:

2.3.1 **Option 1:** Scuff sand and paint aircraft number external fuselage only IAW ALC's HC-144 paint drawings 1100-11-1 (Paint and Detail Drawing) and 1100-11-2 (Exterior Placards and Markings Stencils). This will be one visit after aircraft PDM. Complete scuff sand and paint within 16 days after receipt of the aircraft.

2.3.2 **Option 2:** De-paint and paint external fuselage for all aircraft. This step will be broken down into two phases:

2.3.2.1 De-paint metallic structures prior to PDM. Protect composite (and adjacent seam sealant), rubber and plastic materials, engines, propeller and all intakes, exhaust ports and orifices during the paint removal process. The contractor shall complete the de-paint process within ten (10) calendar days after receipt of the aircraft. The aircraft will be delivered back to the government by USCG personnel.

2.3.2.2 Post PDM; Alodine bare metal surfaces, scuff sand existing coatings applied to composites do not break the primer coat if possible and apply final paint finish IAW ALC's HC-144 paint drawings 1100-11-1 and 1100-11-2. Complete the paint process within seventeen (17) calendar days after receipt of the aircraft.

2.3.3 Post De-paint and Paint requirements:

2.3.3.1 The contractor shall perform the following maintenance actions after de-painting and painting:

2.3.3.1.1 Post de-paint, apply temporary aircraft numbers to the nose of the aircraft IAW ALC drawing 1100-11-1.

2.3.3.1.2 Weigh the aircraft post de-paint and paint IAW Maintenance Procedure Cards (MPC) 00WBR.0 and 08000.0.

2.3.3.1.3 Perform post de-paint and paint lubrication IAW MPC 122001.0.

3.0 APPLICABLE DOCUMENTS

3.1 ALC HC-144 paint and stencil drawings can be acquired by contacting ALC Graphics at d05-smb-alc-tech-pubs-graph@uscg.mil. The contract number shall be included with request for the following drawings:

3.1.1 ALC Drawing 1100-11-1, HC-144 Paint and Detail Drawing

3.1.2 ALC Drawing 1100-11-2, HC-144 Exterior Placards and Markings Stencils

3.2 USCG Maintenance Procedure Cards (MPC) and ALC Engineering Specification.

3.2.1 Coast Guard MPCs and Engineering Specification may be acquired by contacting ALC HC-144 Maintenance Officer, AVI2 Brian Daniel, at Brian.K.Daniel@uscg.mil. The contract number shall be included with request for MPCs.

3.2.1.1 MPC 122000.0, Aircraft Wash

3.2.1.2 MPC 122001.0, Lube, Post Airframe Wash

3.2.1.3 MPC 00WBR.0, Weight and Balance Review

3.2.1.4 MPC 080000.0, Weigh Aircraft

3.2.1.5 ALC Engineering Specification, HC144512000.01

3.3 Original Equipment Manufacturers' (OEM) Maintenance Manuals applicable to the HC-144, 300M series, CG01 version.

3.3.1 The USCG does not own the data rights to OEM Maintenance Manuals, nor can it provide CN-235 Maintenance Manuals. Manuals shall be acquired directly through Airbus Military.

The USCG has assigned Coast Guard Technical Order (CGTO) numbers to the OEM manuals for internal use only. These CGTOs cannot be issued to outside contractors.

3.3.1.1 CN-235 Structural Repair Manual

3.3.1.2 CN-235 Corrosion Control Manual

3.3.1.3 CN-235 List of Consumable Materials (LCM)

3.3.1.4 CN-235 Weight and Balance Manual applicable to the HC-144.

3.4 U. S. Air Force Technical Orders (AFTO)

3.4.1 AFTO 1-1-8, Application and Removal of Organic Coatings

3.4.2 AFTO 1-1-690, General Advanced Composite Repair Processes

3.4.3 AFTO 1-1-691, Cleaning and Corrosion Prevention and Control

3.5 U. S. Navy Technical orders (NAVAIR)

3.5.1 NAVAIR 01-1A-509-2, Chapter 7, Cleaning and Corrosion Control Manual

3.6 The USCG cannot furnish AFTOs or NAVAIRs.

3.6.1 AFTOs may be obtained from Robins Air Force Base
<http://www.robins.af.mil/library/technicalorders.asp>

3.6.2 NAVAIRs may be obtained from the Naval Air Systems Command
 FOIA <http://foia.navair.navy.mil>

3.7 Deviations: Any deviation from the documents listed in this performance work statement requires specific written approval from the USCG ALC MRS Division Contracting Officer.

3.8 Discrepancies: Any discrepancy between this section and any referenced technical manual shall be brought to the attention of the USCG ALC MRS Division Contracting Officer. The discrepancy shall be resolved prior to initiating the affected operation(s).

4.0 MAINTENANCE REQUIREMENTS

The following criteria shall apply for each aircraft, during both paint removal and paint application operations:

- 4.1 All work shall be IAW the documents listed in Paragraph 3.0 or commercial alternates may be acceptable upon approval by USCG Engineering.
- 4.2 Component removal: It is not anticipated that components (i.e. flight control surfaces, engine cowlings, doors, panels, antennas, etc) will require removal. If component removals are required, contact ALC MRS Division Contracting Officer for disposition.
- 4.3 Preparation

- 4.3.1 The contractor shall inspect the aircraft's condition for damage upon arrival. If damage is discovered the contractor shall contact the ALC MRS Division Contracting Officer within 24 hours for disposition.
- 4.3.2 All pre-painting preparations (taping, cleaning, sanding, de-painting or treatments) shall be performed IAW AFTO 1-1-8 or best commercial practices. The aircraft's external structure is comprised of both metallic and composite structures and shall be protected from solvent damage during all phases (de-painting, cleaning and treating).

Note: ALC drawing 1100-11-1 provides general location information of composite materials on the aircraft, but no description reference. Refer to CN-235 Structural Repair Manual for detailed type and location.

- 4.3.3 The aircraft shall be properly masked to prevent damage to the composite structures, deicing boots, wiring, connectors, windows, engines, landing gear and wells, flight control surfaces, their box structures and prevent water/chemical intrusion to all openings and orifices IAW AFTO 1-1-8. All surfaces requiring protection from paint de-paint chemicals and other processing solutions, including rinse water, are masked with MIL-PRF-131 Class 1 barrier film and AMS-T-23397 Type 2 aluminum foil tape. This masking process will protect surfaces and prevent chemical/water intrusion from entering into undesired locations such as engines, intakes, exhaust ports, orifices, etc.
- 4.3.4 All records in contractor format shall be made available to the Government Inspector upon request and are considered deliverables.

4.4 Special Requirements

The contractor shall meet the following special requirements:

- 4.4.1 28vdc and 115vac 400 Hz electrical power supply shall be on-site, as well as a hydraulic power unit capable of providing variable pressures and flow rates. Currently the HC-144 hydraulic system operates using MIL-PRF-83282.
- 4.4.2 Have the proper equipment to jack and weigh the HC-144 IAW MPCs 00WBR.0, Weight and Balance Review, and 080000.0, Weigh Aircraft, using load cells.
- 4.4.3 Defuel: Defuel and sump the aircraft upon delivery for de-painting or painting. Contractor shall remove fuel from each aircraft and document the number of gallons removed. A sample of the fuel will be analyzed by contractor's technical services laboratory in accordance with L-3MID processes. If the analysis is approved, the fuel will be placed in contractor's fuel tanks and credited at the moving average price per gallon for that day. The contractor shall credit the USCG for fuel removed prior to painting. Coast Guard Personnel will assist in defueling the aircraft.
Re-Fuel: After the aircraft has been weighed, contractor will tow the aircraft back to the flight line and re-fuel the aircraft. The amount of fuel needed to fill the aircraft will be priced at the moving average fuel price for the day. Contractor will subtract the amount credited for fuel removed to calculate the amount of fuel payable by the USCG.
- 4.4.4 The contractor shall perform a weight and balance review IAW MPC 00WBR.0 and weigh the aircraft IAW MPC 080000.0 and the CN-235 Weight and Balance Manual applicable to the CG01 series aircraft after final paint. USCG personnel will assist as technical advisor in weighing the aircraft. The contractor shall coordinate the W&B evolution with the USCG ALC Examiners and provide them with the W&B information for verification. The USCG POCs will be provided when the aircraft is delivered to the contractor.
- 4.4.5 Composite Structures
 - 4.4.5.1 Composite structures are primed with different materials depending on the type of composites. Reference ALC drawing 1100-11-1 for type and coatings.
 - 4.4.5.2 Scuff sand composites IAW AFTO 1-1-8 or best commercial practice. Reference the CN-235 Structural Repair Manual for composite makeup and the LCM for type of materials.

4.5 Paint Removal Requirements

- 4.5.1 The aircraft shall either be scuff sanded IAW Option One (Paragraph 2.3.1), or paint completely removed (metallic structures only) IAW Option Two (Paragraph 2.3.2).
- 4.5.2 Protect composite (and adjacent seam sealant), rubber and plastic materials, engines, propeller and all intakes, exhaust ports and orifices during the paint removal process.
- 4.5.3 Apply temporary aircraft numbers to the nose of the aircraft IAW ALC drawing 1100-11-2.
- 4.5.4 Apply COR-BAN 35 to specific external fasteners identified IAW ALC Engineering Specification HC144512000.01.

4.6 Surface Preparation Pre-paint

- 4.6.1 The aircraft shall be washed IAW AFTO 1-1-8, AFTO 1-1-691 or MPC 122000.0 or best commercial practices.
- 4.6.2 Remove COR-BAN 35 from external fasteners using solvent degreaser D-5640NS IAW ALC Engineering Specification HC144512000.01.
- 4.6.3 Prepare the aircraft surface IAW AFTO 1-1-8 or best commercial practices.
- 4.6.4 Apply Alodine 1200, MIL-DTL-5541 to bare metal surfaces IAW manufacturer's recommendations. Record material used and dwell time.
- 4.6.5 Inspect seam sealants and reapply sealants as necessary during the paint process only. Contractor shall not use hard permanent type fillers on faying joints or removable inspection panel seams and fasteners. Use chromate free polysulfide sealants meeting Z-16-177, PR-1782.
- 4.6.6 HC-144 flight controls (ailerons, rudder and elevators) are painted IAW ALC drawing 1100-11-1 and balanced IAW CN-235 Structural Repair Manual (SRM) during PDM by the USCG. Sherwin Williams Jet Glo Express paint is applied. Reference ALC drawing 1100-11-1 for FEDSTD 595 color numbers.

4.7 Paint Application

All primers, paints and application procedures shall meet the following requirements at a minimum:

4.7.1 Environmental Conditions

4.7.1.1 All operations shall be accomplished indoors, in an environmentally controlled facility. Atmospheric conditions and aircraft temperatures shall meet AFTO 1-1-8 at a minimum. Painting operations shall not be initiated and will be suspended whenever specified conditions cannot be met.

4.7.1.2 Temperature, humidity, dwell times, product nomenclature, product codes, batch and lot numbers shall be recorded at the time the paint operations are initiated. These records are considered a deliverable and shall be provided to the Government Inspector

4.7.2 Paint IAW ALC drawings 1100-11-1 and 1100-11-2.

4.7.3 Primers and paints shall meet MIL-SPECS as a minimum as listed on ALC drawing 1100-11-1. Commercial primers and paints may be applied upon approval by ALC MRS Division Engineering Cell.

4.7.4 Prime bare metal structures as necessary with a primer that meets or exceeds MIL-PRF-23377 (see ALC drawing 1100-11-1).

4.7.5 Prime composite structures as necessary per type. Reference CN-235 Structural Repair Manual, and the ALC drawing 1100-11-1.

4.7.6 Topcoats shall meet or exceed MIL-PRF-85285 as a minimum unless otherwise specified on the ALC drawing 1100-11-1. All colors shall meet the FEDSTD 595 Colors listed on ALC drawing 1100-11-1. Best commercial practices shall be performed to keep total paint thickness to a minimum using 300 μm (11.81 mils) as a goal for maximum thickness.

4.7.7 Apply AKZO Nobel Griptex® product number 453-2-27, PM 27 Grit Walkway Coating or equal IAW the manufacturer's specifications as detailed on ALC drawing 1100-11-1, HC-144 Paint and Detail Drawing. Appearance shall be uniform and not exceed 100um +/-25.

4.7.8 Record primer and topcoat product numbers, batch numbers and colors codes. Provide this information in writing to the Government Inspector.

4.7.9 Record temperature, humidity, date and time when each coating was applied. Provide this information in writing to the Government Inspector.

5.0 DELIVERY SCHEDULE

Complete scuff/sand/paint within twenty-four (24) calendar days after receipt of the aircraft.

Pre-PDM De-paint: Contractor shall complete the de-paint process within ten (10) calendar days after receipt of the aircraft.

Post-PDM: Contractor shall complete the paint process within seventeen (17) calendar days after receipt of the aircraft.

USCG MRS Division Contracting Officer (KO) will update and provide estimated PDM progress dates for each aircraft at PDM induction, at three months, at thirty days and fourteen days prior to PDM completion to enable the contractor to plan and schedule paint dates and order material.

6.0 PERFORMANCE REQUIREMENTS

6.1 Contractor shall:

- 6.1.1 Be a Federal Aviation Administration (FAA) certified 145 repair center with experience in applying VOC compliant, high solid paints.
- 6.1.2 Have a quality system compliant with ISO-9000-2001, AS9100 or one that is acceptable to the USCG. Provide an uncontrolled copy of the Quality Manual including a mission statement.
- 6.1.3 Have access to or the ability to obtain OEM manuals and Air Force or Navy Technical Orders.
- 6.1.4 Have experience and high level of professionalism in removing and applying high solid VOC compliant chromate and non-chromate aircraft primers and high solid polyurethane gloss topcoats.
- 6.1.5 Supply all labor, equipment, facilities, masking materials, pre-paint solutions, primer, and topcoats.
- 6.1.6 Have an onsite environmentally controlled paint facility with a dedicated space to accommodate the aircraft including separate protocols for temperature, humidity, ventilation, lighting and atmospheric particle controls.
- 6.1.7 Have experience in performing minor aircraft maintenance as described in paragraph 7.0.
- 6.1.8 Have the capabilities and equipment to tow, jack, weigh, and defuel/refuel the aircraft.

- 6.1.9 Have the capabilities and equipment to jack the aircraft and perform weight and balance using load cells.
 - 6.1.10 Adhere to, and conduct business in compliance with all Federal, State and Local Laws governing this type of work.
 - 6.1.11 The contractor shall dispose of all waste materials generated IAW local and state EPA regulations.
 - 6.1.12 Prepare the aircraft's external surface for painting IAW AFTO 1-1-8 or best commercial practices.
 - 6.1.13 Paint and stencil the aircraft with matched high solids primers and high gloss topcoat system IAW ALC drawings 1100-11-1 HC-144 Paint and Detail Drawing and 1100-11-2 Exterior Placards and Markings Stencils, following the paint manufacturer's recommended procedures.
 - 6.1.14 Supply the equipment, consumables and labor to complete the post de-paint and paint lubrication and maintenance requirements IAW MPC 122001.0, Lube, Post Airframe Wash.
 - 6.1.15 Weigh the aircraft after de-paint and paint IAW MPCs 00WBR.0 and 080000.0, and complete forms with the assistance of the USCG inspector.
 - 6.1.16 Provide a Certificate of Conformance (COC) describing the work performed including a list of paint products used, manufacturer, color, manufacture dates, batch/lot numbers and the recorded environmental paint booth conditions at the time of application: e.g. temperature and humidity. This information will be used to update the Airframe Significant Component History.
- 6.2 USCG will:
- 6.2.1 Deliver the aircraft for de-paint that is airworthy with all grounding discrepancies cleared prior to PDM.
 - 6.2.2 Deliver aircraft for paint which has recently completed PDM in an airworthy condition with all grounding discrepancies cleared.
 - 6.2.3 Provide a current ALC aircraft paint drawings 1100-11-1 and 1100-11-2.
 - 6.2.4 Provide a stencil package, P/N 1100-11-1.
 - 6.2.5 Provide a copy of the aircraft weight and balance records.

- 6.2.6 The USCG will deliver the aircraft after PDM with the following areas inspected and painted: control surfaces and box structures, landing gear and interiors of the landing gear doors and wells, engines (cowling, propeller cap, and propellers), flight control surfaces (ailerons, elevators, rudder, flaps) and their leading edge box structures, interior and frames of crew entrance doors, escape hatches and cargo ramp, antennas and radome.
- 6.2.7 The USCG will provide the following MPCs:
 - 6.2.7.1 MPC 122000.0, Aircraft Wash
 - 6.2.7.2 MPC 122001.0, Lube Post Airframe Wash
 - 6.2.7.3 MPC 00WBR.0, Weight and Balance Review
 - 6.2.7.4 MPC 080000.0, Weigh Aircraft
- 6.2.8 Notify and provide the contractor with aircraft status and changes that impact the delivery schedule at the following calendar intervals:
 - 6.2.8.1 At aircraft PDM induction
 - 6.2.8.2 Three (3) months after PDM induction
 - 6.2.8.3 Thirty (30) days prior to PDM completion
 - 6.2.8.4 Fourteen (14) calendar days prior to aircraft delivery for painting, which impacts the schedule.
 - 6.2.8.5 The USCG will provide an inspector from ALC MRS Division Engineering Cell to:
 - 6.2.8.5.1 Assist in weighing the aircraft, if required.
 - 6.2.8.5.2 Perform final inspection and acceptance.

Note: The USCG representative is not recognized as the Contracting Officer's Representative (COR) and has no authority to deviate from the contract or make any decisions which may bind the USCG to monetary commitments.

7.0 MINOR MAINTENANCE

- 7.1 Minor maintenance is considered to be those tasks normally associated with the painting of an aircraft such as removing and installing access panels as necessary to remove contamination sources which will affect paint, defueling and refueling the aircraft, performing post paint maintenance and Weight and

Balance. If discrepancies other than minor maintenance are discovered the Contractor shall notify the USCG MRS Division Contracting Officer.

8.0 QUALITY ASSURANCE

- 8.1 The contractor shall have a quality system that is acceptable to the USCG or is compliant with ISO 9001-2000 or an FAA approved quality system.
- 8.2 The USCG reserves the right to perform a pre-award site visit and inspection of the contractor's and sub-contractor's site if applicable.

9.0 GOVERNMENT FURNISHED MATERIAL

- 9.1 HC-144 paint drawings 1100-11-1 and 1100-11-2
- 9.2 Stencil/decal kit, P/N 1100-11-2
- 9.3 Copy of the aircraft's Weight and Balance Records
- 9.4 MPC 00WBR.0 Weight and Balance Review
- 9.5 MPC 080000.0 Weigh Aircraft
- 9.6 MPC 122000.0, Aircraft Wash
- 9.7 MPC 122001.0, Lube, Post Airframe Wash
- 9.8 ALC Engineering Specification, HC144512000.01

10.0 DELIVERABLES

- 10.1 The contractor shall:
 - 10.1.1 Meet the contractual required delivery schedule.
 - 10.1.2 Apply temporary aircraft numbers to the nose of the aircraft IAW ALC drawing 1100-11-1.
 - 10.1.3 Provide paint products applied including manufacturer's information batch and lot numbers, temperature, humidity and dwell times when the products were applied.
 - 10.1.4 Provide a warranty period for paint failures resulting from workmanship or application process.
 - 10.1.5 Provide a Certificate of Conformance describing the work completed including a list of the paint products used, color numbers, manufacture date, batch and lot numbers and average paint coating

thickness. This information will be used to update the Airframe Significant Component History.

- 10.1.6 Perform post wash lubrication following de-paint and paint IAW MPC 122001.0.
- 10.1.7 Request a USCG inspector three (3) days in advance of completing the de-painting or painting process for USCG final inspection and assistance in W&B.
- 10.1.8 The contractor shall weigh the aircraft IAW CGTO 1C-144-5 Weight and Balance Manual and MPC 080000.0 after de-paint and final paint with the assistance of the USCG inspector. The contractor shall coordinate the W&B evolution with the USCG Aircraft Examiners Cell for completion of all weight and balance forms. The USCG Aircraft Examiners POC will be provided when the contract is issued or at each delivery order.
- 10.1.9 Complete and submit all MPCs identified in Paragraph 3.2 to the Government Inspector.

11.0 INSPECTION and ACCEPTANCE

- 11.1 Inspection and acceptance will be accomplished at the contractor's site by USCG personnel. Technical requirements define acceptance criteria; however, appearance requirements are subjective and depend on:
 - 11.1.1 The inspector.
 - 11.1.2 The distance from which the paint is viewed.
 - 11.1.3 Paint shop conditions.
 - 11.1.4 Composite surface roughness.
- 11.2 Painting Quality criteria. The following characteristics will be inspected by the USCG representative:

Note: All defects, as delineated below, as a result of the USCG inspection, shall be corrected by the contractor.

- 11.2.1 Uniform, glossy coating applied IAW manufacturer's specifications and USCG drawings. Specular gloss shall be above 90 GU for gloss coatings and less than 5GU on flat coatings measured by the contractor (reference ISO 28130). USCG personnel will only perform a visual inspection.
- 11.2.2 Border lines shall be sharp, with straight, smooth edges.

- 11.2.3 Color shade shall match as close as possible. It is understood that there may be differences between USCG applied coatings and vendor applied coatings as well as coatings applied to composite materials.
 - 11.2.4 Paint thickness is considered deliverable and shall be taken by the contractor. Best commercial practices shall be performed to keep total paint thickness to a minimum using 300 μm (11.81 mils) as a goal for maximum thickness. Walkway coatings shall be uniform in appearance.
 - 11.2.5 Slight "Orange Peel" may be acceptable when viewed from a distance of 60 inches from the aircraft. Orange peel determination is at the inspector's discretion.
 - 11.2.6 Runs shall not exceed 25 mm (.98425 inches).
 - 11.2.7 Inclusions shall not exceed 1.5 mm (.05906 inches), max density shall not exceed 10/dm³ with no more than 80 inclusions.
 - 11.2.8 Micro-bubbling is not acceptable.
 - 11.2.9 Blistering is not acceptable.
 - 11.2.10 Crazing is not acceptable.
 - 11.2.11 Cracking is not acceptable.
 - 11.2.12 Significant overspray is not acceptable.
 - 11.2.13 Flaking is not acceptable.
 - 11.2.14 Peeling is not acceptable.
 - 11.2.15 Absence of dull areas caused by improper paint mixtures or significant overspray.
 - 11.2.16 Overspray on seals, windows, strut pistons, flight control actuator and servo pistons is not acceptable.
 - 11.2.17 Painted over surface corrosion is unacceptable.
- 11.3 The following are not considered as paint related:
- 11.3.1 Surface roughness and "Orange Peel" of composite structures. The composition of composites can produce a higher surface roughness than metallic components. Consequently, those composite areas which do not stand out from the rest of the aircraft are acceptable when inspected from a distance of 60 inches from the aircraft.

- 11.3.2 All required records specified within this contract for accuracy and completeness.

12.0 GROUND AND FLIGHT RISK CLAUSE

I. (a) Definitions.

(1) Aircraft, unless otherwise provided in the contract Schedule, means—

(i) Aircraft to be delivered to the Government under this contract (either before or after Government acceptance), including complete aircraft and aircraft in the process of being manufactured, disassembled, or reassembled; provided that an engine, portion of a wing, or a wing is attached to a fuselage of the aircraft.

(ii) Aircraft, whether in a state of disassembly or reassembly, furnished by the Government to the Contractor under this contract, including all Government property installed, in the process of installation, or temporarily removed, provided that the aircraft and property are not covered by a separate bailment agreement.

(iii) Aircraft furnished by the Contractor under this contract (either before or after Government acceptance); or

(iv) Conventional winged aircraft, as well as helicopters, vertical take-off or landing aircraft, lighter-than-air airships, unmanned aerial vehicles, or other nonconventional aircraft specified in this contract.

(2) Contractor's managerial personnel means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or other equivalent representatives who have supervision or direction of—

(i) All or substantially all of the Contractor's business.

(ii) All or substantially all of the Contractor's operation at any one plant or separate location; or

(iii) A separate and complete major industrial operation.

(3) Contractor's premises means those premises, including subcontractors' premises, designated in the Schedule or in writing by the Contracting Officer, and any other place the aircraft is moved for safeguarding.

(4) In the open means located wholly outside of buildings on the Contractor's premises or other places described in the Schedule as being "in the open." Government-furnished aircraft shall be considered to be **NOT** located "in the open" at all times while in the Contractor's possession, care, custody, or control.

(5) Operation means operations and tests of the aircraft and its installed equipment, accessories, and power plants, while the aircraft is in the open or in motion. The term does not apply to aircraft on any production line or in flight.

(a) Combined regulation/instruction. The Contractor shall be bound by the operating procedures contained in the combined regulation/instruction entitled "Contractor's Flight and Ground Operations" (Air Force Instruction 10-220, Army Regulation 95-20, NAVAIR Instruction 3710.1 (Series), Coast Guard Instruction M13020.3, and Defense Contract Management Agency Instruction 8210.1) in effect on the date of contract award.

(b) Government as self-insurer. Subject to the conditions in paragraph (d) of this clause, the Government self-insures and assumes the risk of damage to, or loss or destruction of aircraft "in the open," during "operation," and in "flight," except as may be specifically provided in the Schedule as an exception to this clause. The Contractor shall not be liable to the Government for such damage, loss, or destruction beyond the Contractor's share of loss amount under the Government's self-insurance.

(c) Conditions for Government's self-insurance. The Government's assumption of risk for aircraft in the open shall continue unless the Contracting Officer finds that the Contractor has failed to comply with paragraph (b) of this clause, or that the aircraft is in the open under unreasonable conditions, and the Contractor fails to take prompt corrective action.

(1) The Contracting Officer, when finding that the Contractor has failed to comply with paragraph (b) of this clause or that the aircraft is in the open under unreasonable conditions, shall notify the Contractor in writing and shall require the Contractor to make corrections within a reasonable time.

(2) Upon receipt of the notice, the Contractor shall promptly correct the cited conditions, regardless of whether there is agreement that the conditions are unreasonable.

(i) If the Contracting Officer later determines that the cited conditions were not unreasonable, an equitable adjustment shall be made in the contract price for any additional costs incurred in correcting the conditions.

(ii) Any dispute as to the unreasonableness of the conditions or the equitable adjustment shall be considered a dispute under the Disputes clause of this contract.

(3) If the Contracting Officer finds that the Contractor failed to act promptly to correct the cited conditions or failed to correct the conditions within a reasonable time, the Contracting Officer may terminate the Government's assumption of risk for any aircraft in the open under the cited conditions. The termination will be effective at 12:01 a.m. on the fifteenth day following the day the written notice is received by the Contractor.

(i) If the Contracting Officer later determines that the Contractor acted promptly to correct the cited conditions or that the time taken by the Contractor was not unreasonable,

an equitable adjustment shall be made in the contract price for any additional costs incurred as a result of termination of the Government's assumption of risk.

(ii) Any dispute as to the timeliness of the Contractor's action or the equitable adjustment shall be considered a dispute under the Disputes clause of this contract.

(4) If the Government terminates its assumption of risk pursuant to the terms of this clause—

(i) The Contractor shall thereafter assume the entire risk for damage, loss, or destruction of the affected aircraft.

(ii) Any costs incurred by the Contractor (including the costs of the Contractor's self-insurance, insurance premiums paid to insure the Contractor's assumption of risk, deductibles associated with such purchased insurance, etc.) to mitigate its assumption of risk are unallowable costs; and

(iii) The liability provisions of the Government Property clause of this contract are not applicable to the affected aircraft.

(5) The Contractor shall promptly notify the Contracting Officer when unreasonable conditions have been corrected.

(i) If, upon receipt of the Contractor's notice of the correction of the unreasonable conditions, the Government elects to again assume the risk of loss and relieve the Contractor of its liability for damage, loss, or destruction of the aircraft, the Contracting Officer will notify the Contractor of the Contracting Officer's decision to resume the Government's risk of loss. The Contractor shall be entitled to an equitable adjustment in the contract price for any insurance costs extending from the end of the third working day after the Government's receipt of the Contractor's notice of correction until the Contractor is notified that the Government will resume the risk of loss.

(ii) If the Government does not again assume the risk of loss and the unreasonable conditions have been corrected, the Contractor shall be entitled to an equitable adjustment for insurance costs, if any, extending after the third working day after the Government's receipt of the Contractor's notice of correction.

(6) The Government's termination of its assumption of risk of loss does not relieve the Contractor of its obligation to comply with all other provisions of this clause, including the combined regulation/instruction entitled "Contractor's Flight and Ground Operations."

(e) Exclusions from the Government's assumption of risk. The Government's assumption of risk shall not extend to damage, loss, or destruction of aircraft which—

(1) Results from failure of the Contractor, due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel, to maintain and administer a program for the protection and preservation of aircraft in the open and during operation in accordance with sound industrial practice, including oversight of a subcontractor's program;

(2) Occurs in the course of transportation by rail, or by conveyance on public streets, highways, or waterways, except for Government-furnished property;

(3) Is covered by insurance;

(4) Consists of wear and tear; deterioration (including rust and corrosion); freezing; or mechanical, structural, or electrical breakdown or failure, unless these are the result of other loss, damage or destruction covered by this clause. (This exclusion does not apply to Government-furnished property if damage consists of reasonable wear and tear or deterioration, or results from inherent vice, e.g., a known condition or design defect in the property); or

(5) Is sustained while the aircraft is being worked on and is a direct result of the work unless such damage, loss, or destruction would be covered by insurance which would have been maintained by the Contractor, but for the Government's assumption of risk.

(f) Contractor's share of loss and Contractor's deductible under the Government's self-insurance.

(1) The Contractor assumes the risk of loss and shall be responsible for the Contractor's share of loss under the Government's self-insurance. That share is the lesser of—

(i) The first \$100,000 of loss or damage to aircraft in the open, during operation, or in flight resulting from each separate event, except for reasonable wear and tear and to the extent the loss or damage is caused by negligence of Government personnel; or

(ii) Twenty percent of the price or estimated cost of this contract.

(2) If the Government elects to require that the aircraft be replaced or restored by the Contractor to its condition immediately prior to the damage, the equitable adjustment in the price authorized by paragraph (j) of this clause shall not include the dollar amount of the risk assumed by the Contractor.

(3) In the event the Government does not elect repair or replacement, the Contractor agrees to credit the contract price or pay the Government, as directed by the Contracting Officer, the lesser of—

(i) \$100,000;

(ii) Twenty percent of the price or estimated cost of this contract; or

(iii) The amount of the loss.

(4) For task order and delivery order contracts, the Contractor's share of the loss shall be the lesser of \$100,000 or twenty percent of the combined total price or total estimated cost of those orders issued to date to which the clause applies.

(5) The costs incurred by the Contractor for its share of the loss and for insuring against that loss are unallowable costs, including but not limited to—

(i) The Contractor's share of loss under the Government's self-insurance;

(ii) The costs of the Contractor's self-insurance;

(iii) The deductible for any Contractor-purchased insurance;

(iv) Insurance premiums paid for Contractor-purchased insurance; and

(v) Costs associated with determining, litigating, and defending against the Contractor's liability.

(g) Subcontractor possession or control. The Contractor shall not be relieved from liability for damage, loss, or destruction of aircraft while such aircraft is in the possession or control of its subcontractors, except to the extent that the subcontract, with the written approval of the Contracting Officer, provides for relief from each liability. In the absence of approval, the subcontract shall contain provisions requiring the return of aircraft in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of this contract.

(h) Contractor's exclusion of insurance costs. The Contractor warrants that the contract price does not and will not include, except as may be authorized in this clause, any charge or contingency reserve for insurance covering damage, loss, or destruction of aircraft while in the open, during operation, or in flight when the risk has been assumed by the Government, including the Contractor share of loss in this clause, even if the assumption may be terminated for aircraft in the open.

(i) Procedures in the event of loss.

(1) In the event of damage, loss, or destruction of aircraft in the open, the Contractor shall take all reasonable steps to protect the aircraft from further damage, to separate damaged and undamaged aircraft, and to put all aircraft in the best possible order. Except in cases covered by paragraph (f)(2) of this clause, the Contractor shall furnish to the Contracting Officer a statement of—

(i) The damaged, lost, or destroyed aircraft;

(ii) The time and origin of the damage, loss, or destruction;

(iii) All known interests in commingled property of which aircraft are a part; and

(iv) The insurance, if any, covering the interest in commingled property.

(2) The Contracting Officer will make an equitable adjustment for expenditures made by the Contractor in performing the obligations under this paragraph.

(j) Loss prior to delivery.

(1) If prior to delivery and acceptance by the Government, aircraft is damaged, lost, or destroyed and the Government assumed the risk, the Government shall either—

(i) Require that the aircraft be replaced or restored by the Contractor to the condition immediately prior to the damage, in which event the Contracting Officer will make an equitable adjustment in the contract price and the time for contract performance; or

(ii) Terminate this contract with respect to the aircraft. Notwithstanding the provisions in any other termination clause under this contract, in the event of termination, the Contractor shall be paid the contract price for the aircraft (or, if applicable, any work to be performed on the aircraft) less any amount the Contracting Officer determines—

(A) It would have cost the Contractor to complete the aircraft (or any work to be performed on the aircraft) together with anticipated profit on uncompleted work; and

(B) Would be the value of the damaged aircraft or any salvage retained by the Contractor.

(2) The Contracting Officer shall prescribe the manner of disposition of the damaged, lost, or destroyed aircraft, or any parts of the aircraft. If any additional costs of such disposition are incurred by the Contractor, a further equitable adjustment will be made in the amount due the Contractor. Failure of the parties to agree upon termination costs or an equitable adjustment with respect to any aircraft shall be considered a dispute under the Disputes clause of this contract.

(k) Reimbursement from a third party. In the event the Contractor is reimbursed or compensated by a third party for damage, loss, or destruction of aircraft and has also been compensated by the Government, the Contractor shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for damage, loss, or destruction. Upon the request of the Contracting Officer or authorized representative, the Contractor shall at Government expense furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment or subrogation) in obtaining recovery.

(l) Government acceptance of liability. To the extent the Government has accepted such liability under other provisions of this contract, the Contractor shall not be reimbursed for liability to third persons for loss or damage to property or for death or bodily injury

caused by aircraft during flight unless the flight crew members previously have been approved for this flight in writing by the Government Flight Representative, who has been authorized in accordance with the combined regulation entitled “Contractor's Flight and Ground Operations”.

(m) Subcontracts. The Contractor shall incorporate the requirements of this clause, including this paragraph (m), in all subcontracts.

13.0 MEETINGS

Meetings will be scheduled as required at no additional cost to the government.

14.0 TRAVEL

14.1 Contractor personnel may travel to ALC for meetings or aircraft evaluation at the contractor's expense. It is not anticipated that contractor visits will be necessary.

14.2 USCG personnel may travel to contractor's facility at the government's expense.

15.0 USCG POINT OF CONTACT

The Point of Contact will be the USCG Contracting Officer.

ADDRESS FOR CORRESPONDENCE

All correspondence, except as otherwise specified, shall be directed to the following address:

Contracting Officer
USCG, Aviation Logistics Center
Medium Range Surveillance (MRS) Contracting Section
Elizabeth City, NC 27909-5001

Contract No. To be assigned at time of Award

Delivery Order No. _____
(Assigned upon issuance)

INVOICING INSTRUCTIONS

The original Contractor's invoice shall be submitted to the designated billing office for payment as follows. The preferred method of submission is by electronic means. Email invoices to ALC-fiscal@uscg.mil or by U. S. mail to:

Chief, Fiscal Branch
USCG, Aviation Logistics Center
Building 63

Elizabeth City, NC 27909-5001

Contract No. To be assigned at time of Award

Delivery Order No. _____
(Assigned upon issuance)

Either method must reference the contract number and delivery order number.

PERIOD OF PERFORMANCE

The period of performance shall consist of one base year to begin at time of award and four option years renewable at the discretion of the government. The total duration of the contract shall not exceed five years.

ESTIMATED QUANTITIES

Failure of the Government to furnish any of the line items in the amounts or quantities described as "estimated" or "maximum" will not entitle the contractor to any equitable adjustment in price.