

## **SURGE AND SUSTAINMENT (S&S)**

### **SAMPLE SOW LANGUAGE AND S&S EVALUATION FACTOR (Non-complex situations)**

#### **SAMPLE SOW LANGUAGE (July 1999)**

Surge and sustainment (S&S) capability is defined as the ability of the contractor to meet increased quantity/accelerated delivery requirements, using supplier base capabilities, in support of a broad spectrum of possible contingencies. This ability includes both a capability to ramp-up quickly to meet early requirements (i.e., surge), as well as to sustain an increased pace throughout the contingency(s) (i.e., sustainment). The spectrum of possible contingencies includes major theatre warfare and smaller-scale contingency operations, ~~as defined in the Defense Planning Guidance~~. The increased quantity/accelerated delivery requirements are those above and beyond normal peacetime requirements.

The S&S capability defined above refers to an overall capability. Throughout the life of the contract, there may be multiple contingencies, each of which involves a ramp-up (i.e., surge) and sustainment period. The capability level defined above encompasses all of these contingencies. Also, the above capability refers to quantity levels above and beyond normal peacetime requirements.

***If the S&S proposal shows no S&S investments are needed:*** The contractor shall have full S&S capability to provide the S&S requirements identified in Attachment \_\_\_\_ to this solicitation, prior to contract award. The contractor's S&S proposal showing its S&S capability is incorporated into this contract at Attachment \_\_\_\_.

***If the S&S proposal shows S&S investments are needed:*** The contractor shall have full S&S capability to provide the S&S requirements identified in Attachment \_\_\_\_ to the solicitation, within \_\_\_\_ (recommend 2) months after award of this contract. This capability shall be that identified in the contractor's proposal on S&S (incorporated into this contract as Attachment \_\_\_\_) plus any S&S investments made as a result of proposal identification of shortfalls, Contracting Officer approval of S&S investments, and availability of any needed funding.

***GUIDANCE: Clear definition (i.e., identification) of S&S items, quantities, and delivery terms needs to be provided in Attachment \_\_\_\_ to the solicitation and incorporated into the contract, with a statement that all or some portion of the S&S quantities may be ordered during an actual contingency. If S&S requirements are defined in terms other than item quantities, then these terms must be accompanied by information that allows offerors to easily identify both the S&S items and the required quantities of these items.***

The S&S quantities in Attachment \_\_\_\_ to this solicitation, or any portion thereof, may be ordered at any time before acceptance by the Government of the final scheduled delivery under this contract. Such orders will not extend delivery more than \_\_\_\_ months beyond the scheduled final delivery.

Within 1 month after award of contract, the contractor shall submit a S&S validation plan that defines how the S&S capability can be verified. Within 2 weeks after receipt of the S&S validation plan, the Contracting Officer will notify the contractor of approval, conditional approval, or disapproval. The Government reserves the right to require the submission of additional plans if the initial submission is not approved.

After approval by the Contracting Officer of the S&S validation plan, the contractor may be required to conduct S&S tests, or to allow the government to perform S&S tests, to validate the S&S capability. These tests may be paper exercises, simulations, command post exercises, participation in live exercises, participation in JCS and CINC exercises approved in the DLA Joint Training Plan, or any other methodology that can validate the S&S capability. S&S testing may use (but is not limited to use of) the contractor's approved S&S validation plan. Within one week after conduct of the test, the contractor shall submit to the Contracting Officer a validation results report that clearly describes performance under the test, identifies all deficiencies found, and provides a plan of action to remedy these deficiencies.

The contractor shall maintain the S&S capability throughout the life of the contract. Any significant changes in the contractor's supplier base capabilities, that would impact the contractor's S&S capability, shall be reported in writing to the Contracting Officer immediately after the contractor becomes aware of the change.

The Government may refine, reassess, or update its S&S requirements during the life of this contract. Also, the contractor's supplier base capabilities may change during the contract period. Either of these conditions may necessitate contractor reassessment of its supplier base capabilities, development of new/changed S&S strategies, and reevaluation/change of S&S validation plans. Changes in S&S requirements will be made through bilateral contract modifications. Changes in contractor S&S capabilities will be made through contractor submission of a S&S capability report describing the new S&S strategies (i.e., supplier base inventories, production/on-demand manufacturing/advanced technology capacities, or any other means of support available), access to and plans for coordinating distribution and transportation services for these items, and the contractor's agreements with suppliers and service providers that reflect access to the needed S&S resources. If necessary, the contractor shall also provide a revised S&S validation plan that addresses the change(s). The contracting officer shall evaluate both the S&S capability report and revised S&S validation plan for acceptability. The government reserves the right to require additional reports/plans if the initial submissions are not approved.

If S&S investments are needed as a result of changed circumstances, the S&S capability report must provide the reason(s) investments are needed for these items, a detailed explanation of what will be purchased and the S&S capability to be gained, the basis for the estimated costs of these investments, an analysis of what surge strategies were examined and why the proposed strategy(ies) is(are) the most cost-effective one(s), and how the investments will be funded.

The contractor shall report on the status of S&S quantities ordered and on all supplier base resources (i.e., inventories, production/advanced technology capabilities, etc.), on an as needed

basis during a contingency(s). The contractor may also be required to report on S&S performance, during the contingency or afterwards.

Performance of the S&S requirements in this clause will be considered in the government's evaluation to determine whether exercise of the option is the most advantageous method of fulfilling the government's need. Performance elements to be considered are: any development of S&S capability (including submission of S&S capability report), maintenance of S&S capability, development of S&S validation plan (including submission of S&S validation plan), performance of S&S validation tests (including submission of S&S validation results report), and actual delivery of S&S requirements.

The above language does not limit the government's right, at any time after award, to perform inspections or tests of the contractor's S&S capability. In the event a contingency occurs before the contractor develops full S&S capability to address changed circumstances, or contingency requirements exceed those defined in Attachment \_\_\_\_ , the contractor shall support S&S requirements to the maximum extent possible.

If the contractor fails to perform in accordance with the requirements of this SOW paragraph, a contingency(s) arises before the contractor has established full S&S capability to address changed circumstances, or other circumstances create a need, the government has the right to take any action necessary to obtain S&S requirements from other sources (including sources in the contractor's supplier base).

This language does not relieve the contractor from responsibility for providing peacetime level quantities during the contingency.

### **SAMPLE SURGE & SUSTAINMENT (S&S) EVALUATION FACTOR (July 1999)**

Instructions to offerors: Describe your capability to initially ramp up (i.e., surge) and to sustain provision of supplies to meet the surge requirements identified in Attachment \_\_\_\_ to the solicitation. Address the following subfactors:

- 1) Explain your methodology that enables visibility of, monitoring changes in, assessment of, and reporting on your and your supplier base capabilities related to the S&S requirements, including any on-line access to suppliers' inventory and production information systems;
- 2) Identify your and your supplier base inventories, production capability, on-demand manufacturing and advanced technology capability, or any other means of S&S support that are available to meet S&S requirements. Based on this identification, describe your strategies for meeting the S&S requirements in the solicitation, and explain how these strategies will be applied to the S&S items in this solicitation.
- 3) Identify the subset of S&S items under this solicitation that may be difficult to provide quickly for initial ramp-up, or to provide at elevated demand levels for sustainment, and the reasons for these difficulties; describe your proposed solutions (i.e., strategies) for overcoming these difficulties
- 4) Describe your agreements with suppliers that reflect access to supplier base resources, including any commitments to hold rotating amounts of assets, and time frames for delivering these assets; any commitments to provide access to production capabilities, and time frames for

this access, etc.;

5) Describe your access to and plans for coordinating distribution (receiving, storing, packaging, and issuing) and transportation services needed to meet S&S requirements, including agreements with suppliers of these services, and time frames for services provided;

Clearly identify any significant investments (dollars), under 3) or other sections of the S&S evaluation factor, needed to develop S&S capability. For those S&S investments, explain why the investment is needed, what you propose purchasing, the basis for the investment cost, the S&S capability to be gained, and how you anticipate the investment will be funded. For investments proposed to effect S&S strategies, include an analysis of what S&S strategies were considered, and why the proposed strategies are the most cost-effective ones.

Evaluation for Award: The Government will evaluate the proposed S&S capability to determine its ability to meet the S&S requirements in the solicitation. The following emphasis will be placed on the S&S subfactors described under Instructions to Offerors:

- 1) On-line access within short time frames and automated tools for analysis will be rated more highly than other, less automated methodologies.
- 2) Specific information on capabilities and strategies at the item level that evidence comprehensive, thorough assessment will be rated more highly than general information on capabilities and strategies for item groupings.
- 3) Comprehensive identification, sound rationale for difficulties, and viable, cost-effective solutions at the item level will be rated more highly than less detailed information for item groupings and/or solutions that are less advantageous.
- 4) Broad coverage and well-defined agreements will be rated more highly than incomplete coverage, less defined agreements, and plans to make these agreements.
- 5) Broad coverage, and well-defined agreements and coordination plans will be rated more highly than incomplete coverage, and less defined agreements and coordination plans.

Price/Cost proposal: Clearly identify any significant investments (dollars), under 3) or other sections of the S&S evaluation factor, that you propose the government fund, and provide the basis for these costs.

## **SAMPLE SUBFACTOR FOR PAST PERFORMANCE EVALUATION FACTOR (July 1999)**

### Instructions to offerors:

Define your experience over the past three years in:

- 1) Conducting assessments of supplier base capabilities: Describe your participation in industrial capabilities data collection efforts or other assessments you have conducted. Participation includes (but is not limited to) submissions (initial or annual update) to DLA via the World Wide Web Industrial Capabilities Assessment Program (WICAP) site on the Internet (<http://dscp123.dscp.dla.mil.>) or submissions of ) the DD Form 2737 . For those S&S items identified by your part number (both those you manufacture, and those manufactured by your

subcontractors), describe your (and your subcontractors') participation in this effort (in terms of the number of your part numbered items for which data is provided, and for the data provided, the completeness and accuracy of that data). For those S&S items not identified by your part number, describe your suppliers' participation in this effort (in terms of the number of these S&S items for which your supplier has provided data).

2) Obtaining products from your suppliers to fulfill S&S requirements of your customers: Provide contract number, price and delivery terms, the number of S&S items and suppliers you used to fulfill the S&S requirements, and your performance relative to the contract terms. Provide a point of contact (name and phone number of contract administrator within government or other commercial firm) for each contract, that can substantiate/verify your performance.

Evaluation for award:

Experience will be rated as follows:

- 1) Assessments will be rated for accuracy, completeness and use of automated tools. For participation in the DLA industrial capabilities data collection efforts: For S&S items identified by your part number, submission of accurate, complete data on all these items will be rated more highly than partial submissions or plans to make submissions. For S&S items not identified by your part number, suppliers' submissions on all these items will be rated more highly than suppliers' submissions on a portion of these items, or suppliers' plans to make submissions. Of those submissions made, Web-based submissions will be rated more highly than hard copy DD Form 2737 submissions.
- 2) Past performance will be rated based on the following (from highest to lowest) levels of performance:
  - a) Performance of broad-based S&S requirements that meets contract price and delivery terms.
  - b) Performance of limited S&S requirements that meets contract price and delivery terms.
  - c) No experience with S&S requirements.
  - d) Performance of broad-based S&S requirements that did not meet contract price and delivery terms.
  - e) Performance of limited S&S requirements that did not meet contract price and delivery terms.

## **SAMPLE SOW LANGUAGE AND S&S EVALUATION FACTOR (Complex situations)**

### **SAMPLE SOW LANGUAGE (July 1999)**

Surge and sustainment (S&S) capability is defined as the ability of the contractor to meet increased quantity/accelerated delivery requirements, using supplier base capabilities, in support of a broad spectrum of possible contingencies. This ability includes both a capability to ramp-up quickly to meet early requirements (i.e., surge), as well as to sustain an increased pace throughout the contingency(s) (i.e., sustainment). The spectrum of possible contingencies includes major theatre warfare and smaller-scale contingency operations, ~~as defined in the Defense Planning Guidance~~. The increased quantity/accelerated delivery requirements are those above and beyond normal peacetime requirements.

The S&S capability defined above refers to an overall capability. Throughout the life of the contract, there may be multiple contingencies, each of which involves a ramp-up (i.e., surge) and sustainment period. The capability level defined in this paragraph should encompass all of these contingencies. Also, the above capability refers to quantity levels above and beyond normal peacetime requirements.

The contractor shall have full S&S capability to provide the S&S requirements identified in Attachment \_\_\_ to this solicitation, within \_\_\_\_\_ (fill-in needed, recommend 4) months after award of this contract. This capability shall be developed through the S&S assessment process and (if necessary) S&S investments as described below.

***GUIDANCE: Clear definition (i.e., identification) of S&S items, quantities, and delivery terms needs to be provided in Attachment \_\_\_ to this solicitation, with a statement that all or some portion of the S&S quantities may be ordered during an actual contingency. If S&S requirements are defined in terms other than item quantities, then these terms must be accompanied by information that allows offerors to easily identify both the S&S items and the required quantities of these items.***

The S&S quantities in Attachment \_\_\_ to this solicitation, or any portion thereof, may be ordered at any time before acceptance by the Government of the final scheduled delivery under this contract. Such orders will not extend delivery more than \_\_\_\_\_ (fill-in needed) months beyond the scheduled final delivery.

The contractor shall submit a S&S capability report within \_\_\_\_\_ (fill-in needed, recommend 2) months after award of the contract. The report must address the following: 1) the contractor's methodology enabling visibility of, assessment of, monitoring changes in, and reporting on supplier base resources on a continuing basis; 2) identify supplier base inventories, production/on-demand manufacturing/advanced technology capacities, or any other means of support available to meet S&S requirements, and (based on this identification) describe S&S strategies for all surge items; 3) identify problem items for which S&S cannot be easily met, the

reason(s) for the difficulty, proposed solutions for these items, and any significant investments (dollars) needed to implement these solutions; 4) contractor's agreements with suppliers and service providers that reflect access to S&S resources, including time frames for this access; and 5) description of access to and plans for coordinating distribution and transportation services for meeting S&S delivery terms, including agreements with suppliers of these services, and time frames for services to be provided. To the maximum extent possible, the above information shall be provided on an item-by-item basis, or in item groupings based on similar supplier base capabilities or S&S strategies. Item data, or item grouping data, addressing the above information shall be submitted in a database format as part of the S&S capability report.

The contractor shall clearly identify any significant investments (dollars) under 3) or any of the sections above, needed to develop S&S capability. For those S&S investments, explain why the investment is needed, what you propose purchasing, the basis for the investment cost, the S&S capability to be gained, and how you anticipate the investment will be funded. For investments proposed to effect S&S strategies, include an analysis of what S&S strategies were examined and why the proposed strategy(ies) is(are) the most cost-effective ones.

When conducting the assessment of supplier base resources, the contractor shall consider any source restriction requirements from laws, regulations, or specifications. If these restrictions impact the availability of sufficient S&S quantities, ability to deliver S&S quantities within required time frames, accessibility to advanced state-of-the-art commercial technology in support of S&S requirements, or have other impacts that limit S&S capability, these impacts should be described in the assessment.

Within 1 month after receipt of the S&S capability report, the Contracting Officer will notify the contractor of approval, conditional approval, or disapproval. The Government reserves the right to require additional reports if the initial submission is not approved. Once the S&S capability report has been approved by the Contracting Officer and any needed funds are available, the contractor shall implement the approved S&S strategies (i.e., make approved investments or take any other actions needed). The Contracting Officer may request status on post-approval investments/actions, on an as-needed basis.

Within 1 month after approval of the S&S capability report, the contractor shall submit a S&S validation plan that defines how the S&S capability can be verified. Within 2 weeks after receipt of the S&S validation plan, the Contracting Officer will notify the contractor of approval, conditional approval, or disapproval. The Government reserves the right to require submission of additional plans if the initial submission is not approved.

After approval by the Contracting Officer of the S&S validation plan, the contractor may be required to conduct S&S tests, or to allow the government to perform S&S tests, to validate the S&S capability. These tests may be paper exercises, simulations, command post exercises, participation in live exercises, participation in JCS and CINC exercises approved in the DLA Joint Training Plan, or any other methodology that can validate the developed S&S capability. S&S testing may use (but is not limited to use of) the contractor's approved S&S validation plan. Within one week after conduct of the test, the contractor shall submit to the Contracting Officer a validation results report that clearly describes performance under the test, identifies all

deficiencies found, and provides a plan of action to remedy these deficiencies.

The Government may refine, reassess, or update its S&S requirements during the life of this contract. Also, the contractor's supplier base capabilities may change during the life of this contract. Either of these conditions may necessitate contractor reassessment of its supplier base capabilities, development of new/changed S&S strategies, and reevaluation/change of S&S validation plans. Changes in S&S requirements will be made through bilateral contract modifications. Changes in S&S capabilities/validation plans will be made through contractor resubmissions and Contracting Officer approvals of revised S&S capability and S&S validation plans.

The contractor shall report on the status of S&S quantities ordered and on all supplier base resources (i.e., inventories, production/advanced technology capabilities, etc.), on an as needed basis during a contingency(s). The contractor may also be required to provide a report on S&S performance, during the contingency or afterwards.

Performance of the S&S requirements in this clause will be considered in the government's evaluation to determine whether exercise of the option is the most advantageous method of fulfilling the government's need. Performance elements to be considered are: any development of S&S capability (including submission of S&S capability report), maintenance of S&S capability, development of S&S validation plan (including submission of S&S validation plan), performance on S&S validation tests (including submission of S&S validation results report), and actual delivery of S&S requirements.

The above language does not limit the government's right, at any time after award, to perform inspections or tests of the contractor's S&S capability, whether this capability is fully developed or not. In the event a contingency occurs before the contractor develops full S&S capability, or contingency requirements exceed those defined in Attachment \_\_\_\_, the contractor shall support S&S requirements to the maximum extent possible.

If the contractor fails to perform in accordance with the requirements of this SOW paragraph, a contingency(s) arises prior to the required date for fully developed S&S capability, or other circumstances create a need, the government has the right to take any action necessary to obtain S&S requirements from other sources (including sources in the contractor's supplier base).

This language does not relieve the contractor from responsibility for providing peacetime level quantities during the contingency.

### **SAMPLE SURGE & SUSTAINMENT (S&S) EVALUATION FACTOR (July 1999)**

#### Instructions to offerors:

Describe your approach for conducting a thorough assessment of your capability (including both your and your supplier base capabilities) to initially ramp up (i.e., surge) and to sustain provision of supplies to meet the S&S requirements identified in Attachment \_\_\_\_ to the solicitation. You are not required to actually conduct the assessment, but to describe your

approach for conducting it, if you are awarded a contract in response to this solicitation. Describe how you would approach each of the assessment elements below:

- 1) Methodology that enables visibility of, monitoring changes in, assessment of, and reporting on your and your supplier base capabilities related to the S&S requirements, including any on-line access to suppliers' inventory and production information systems;
- 2) Identification of your and your supplier base inventories, production capability, on-demand manufacturing and advanced technology capability, or any other means of S&S support that are available to meet S&S requirements. Based on this identification, a description of your strategies for meeting the S&S requirements in the solicitation, and explanation of how these strategies will be applied to the items included for S&S in this solicitation;
- 3) Identification of the subset of items included for S&S under this solicitation that may be difficult to provide quickly for initial ramp-up, or to provide at elevated demand levels for sustainment, and the reasons for these difficulties
- 4) Description of your agreements with suppliers that reflect access to supplier base resources, including any commitments to hold rotating amounts of assets, and time frames for delivering these assets, any commitments to provide access to production capabilities, and time frames for this access, etc.;
- 5) Description of your access to and plans for coordinating distribution (receiving, storing, packaging, and issuing) and transportation services needed to meet S&S requirements, including agreements with suppliers of these services, and time frames for services provided.

Clearly identify any significant investments (dollars), under 3) or other sections of the S&S evaluation factor, that you already know (prior to conducting the surge capability assessment) will be needed to develop S&S capability. For those S&S investments, explain why the investment is needed, what you propose purchasing, the basis for the investment cost, the S&S capability to be gained, and how you anticipate the investment will be funded. For investments proposed to effect S&S strategies, explain why the proposed strategies (as opposed to other alternatives) are the most cost-effective ones.

Evaluation for Award: Concerning your approach for conducting a S&S capability assessment: The following emphasis will be placed on the assessment elements described under Instructions to Offerors:

- 1) An approach that includes on-line access within short time frames and automated tools for analysis will be rated more highly than other, less automated methodologies.
- 2) An approach that will provide specific information on capabilities and strategies at the item level (i.e., evidences plan to conduct a comprehensive, thorough assessment) will be rated more highly than approach that will provide general information on capabilities and strategies for item groupings.
- 3) An approach that will result in comprehensive identification of "problem" items, sound rationale for difficulties, and viable, cost-effective solutions at the item level will be rated more highly than an approach that will result in less detailed information for item groupings and/or solutions that are less advantageous.
- 4) Plans to obtain broad coverage and well-defined agreements will be rated more highly than plans to obtain partial coverage or less defined agreements.
- 5) An approach for obtaining broad coverage, and well-defined agreements and coordination

plans will be rated more highly than an approach for obtaining partial coverage, and less defined agreements and coordination plans.

Price/Cost Proposal (prior to award):

Provide your proposed price for conducting the S&S capability assessment identified in SOW paragraph \_\_\_\_\_ and proposed under the S&S evaluation factor, and the basis for your proposed price.

Provide an estimate of any known costs of developing S&S capability, including any significant investments (dollars), under 3) or other sections of the S&S evaluation factor. Identify the known investments and explain why they are needed, what you propose purchasing, the surge capability to be gained, how you anticipate the investment will be funded, and why the investment is the most cost-effective approach.

Price/Cost Proposal (for any investments identified in post-award surge capability assessment):

Identify the significant investments (dollars) that you propose, in your S&S capability report, that the government fund, and provide the basis for these costs.

### **SAMPLE SUBFACTOR FOR PAST PERFORMANCE EVALUATION FACTOR (July 1999)**

#### Instructions to offerors:

Define your experience over the past three years in:

Conducting assessments of supplier base capabilities: Describe your participation in industrial capabilities data collection efforts or other assessments you have conducted..

Participation includes (but is not limited to) submissions (initial or annual update) to DLA via the World Wide Web Industrial Capabilities Assessment Program site on the Internet (<http://dscpl23.dscpl.dla.mil>) or submissions of the DD Form 2737 . For those S&S items identified by your part number (both those you manufacture, and those manufactured by your subcontractors), describe your (and your subcontractors') participation in this effort (in terms of the number of your part numbered items for which data is provided, and for the data provided, the completeness and accuracy of that data). For those S&S items not identified by your part number, describe your suppliers' participation in this effort (in terms of the number of these S&S items for which your supplier has provided data).

2) Obtaining products from your suppliers to fulfill S&S requirements of your customers: Provide contract number, price and delivery terms, the number of S&S items and suppliers you used to fulfill the S&S requirements, and your performance relative to the contract terms. Provide a point of contact (name and phone number of contract administrator within the government or other commercial firm) for each contract, that can substantiate/verify your performance.

Evaluation for award:

Experience will be rated as follows:

- 1) Assessments will be rated for accuracy, completeness and use of automated tools. For participation in DLA industrial capabilities data collection efforts: For S&S items identified by your part number, submission of accurate, complete data on all these items will be rated more highly than partial submissions or plans to make submissions. For S&S items not identified by your part number, suppliers' submissions on all these items will be rated more highly than suppliers' submissions on a portion of these items, or suppliers' plans to make submissions. Of those submissions made, Web-based submissions will be rated more highly than hard copy DD Form 2737 submissions.
- 2) Past performance will be rated based on the following (from highest to lowest) levels of performance:
  - a) Performance of broad-based S&S requirements that meets contract price and delivery terms.
  - b) Performance of limited S&S requirements that meets contract price and delivery terms.
  - c) No experience with S&S requirements.
  - d) Performance of broad-based S&S requirements that did not meet contract price and delivery terms.
  - e) Performance of limited S&S requirements that did not meet contract price and delivery terms.