

**Performance Work Statement**  
**For**  
**Improved Thermal Sight System (ITSS)**  
**Mirror, Head Unit with Container**  
**NSN 2540-01-574-0696**

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## 1.0 SCOPE

This section sets forth the requirements of the Firm Fixed Price contract for the repair of Improved Thermal Sight System (ITSS) Mirror, Head unit with Container at the direction of the United States Marine Corps Logistics Command (MARCORLOGCOM) in Albany, GA. The intent is to repair the Mirror, Head Unit with Container component of the ITSS, a major subsystem of the Light Armored Vehicle (LAV-25A2 variant). Under the agreement, the contractor shall provide sustainment support as outlined in this section to meet the agreed upon requirements for the repair of the Mirror, Head Unit with Container.

### 1.1 BACKGROUND

The LAV is an amphibious reconnaissance vehicle used primarily by the USMC Light Armored Reconnaissance Battalions to provide ground combat support to Marine Air-Ground Task Forces and Marine Expeditionary Units. The ITSS, produced by the Raytheon Company, is the sight system for the LAV-25A2 variant, providing reconnaissance and surveillance capability.

Sustainment support for the LAV and its subsystems, including the ITSS, is provided by the MARCORLOGCOM, the primary ground equipment asset manager for the USMC. The Weapon Systems Management Center (WSMC) at MARCORLOGCOM has primary responsibility for sustainment of legacy and new acquisition systems. LAV sustainment is managed by a Weapon System Management Team in the Combat Systems Division.

Readiness for the ITSS has been below expectations since FY2010, which has reduced the platform-level operational availability for the LAV-25A2. The LAV-25A2 is considered inoperable without a functioning ITSS. The ITSS has, at one point, been responsible for 25% of Non-mission capable (NMC) LAV-25A2s. A lack of operable ITSS Line Replaceable Units (LRUs) has delayed repairs to NMC ITSSs by up to two years, resulting in a substantial reduction of mission-capable LAV-25A2s.

## 2.0 SCOPE OF WORK

USMC is seeking to initiate a Firm Fixed Price Repair contract for 30 each Head Mirrors, NSN 2540-01-574-0696. The contractor will provide repair of 30 Head Mirrors provided by the government to meet Form, Fit, and Function along with Repair Cycle Time (RCT) as outlined in par. 3.2 and The Quality Assurance Surveillance Plan (QASP) par. 5.1. The contractor is required to put in place the infrastructure, material, and systems necessary to meet the Government's requirements. This section of the Performance Work Statement (PWS) lists Contractor and Government responsibilities during the Period of Performance (PoP) for repair of the Head Mirror.

### 2.1 CONTRACTOR RESPONSIBILITIES

The Contractor will be responsible for the requirements as identified in the contract schedule at a single price for the period of the contract. It is the responsibility of the Contractor to manage the program to provide serviceable components to the government.

The Contractor shall:

1. Meet the Delivery Dates for the Head Mirror Units in accordance with the content of this PWS, starting with contract award date.
2. Perform all repairs of the 30 Head Mirrors up to 65% of a procurement cost to meet Form Fit and Function.
3. Integrate all activities performed by its partnerships and sub-tier suppliers.
4. Deliver program data and status reports, to include failure trend analysis and root cause analysis.
5. Manage Diminishing Manufacturing Sources and Material Shortages (DMSMS) as it relates to commercial repair activity.
6. Arrange for shipment of A-Condition components back to the Government.
7. Coordinate inspection/acceptance with the Government representative
8. The Contractor shall be responsible for providing a one year standard warranty.
9. The Contractor will repair all items which fail a Product Quality Deficiency Report.

## 2.2 GOVERNMENT RESPONSIBILITIES

The Government will provide the F-condition assets.

### 2.2.1 MARCORLOGCOM RESPONSIBILITIES

1. Assign a Contracting Officer's Representative(s) (COR) to be responsible for performing specific technical or administrative functions.
2. Provide quality assurance personnel (DCMA) authorized to accomplish Government inspection/acceptance at the source of repair/replacement output under this contract.
3. Make timely decisions on DMSMS and Configuration Management issues.

### 2.2.2 PM LAV RESPONSIBILITIES

1. Make timely decisions on DMSMS, obsolescence, reliability enhancements, and CM issues.

## 2.3 CONTRACTOR PROGRAM MANAGEMENT

The Contractor shall provide a Program Manager (PM) who has the authority to accomplish the program performance requirements. The PM shall be the Contractor's single point of contact to the Government for the program. Any contractual changes must be communicated and approved prior to execution through the Contracts department (Government and contractor). Responsibilities of the Contractor's PM include, but are not limited to:

1. The PM shall coordinate program requirements and information with the Contracting Agency.
2. The PM or PM's representatives shall be available to the Government during normal working hours. A working day is defined as 0800-1700 Eastern Standard Time, excluding Saturdays, Sundays, and Federal holidays.

3. The PM shall ensure timely (within 30-60 days) resolution of business and technical problems.
4. Program management costs are included in the contract and will not be priced separately.

### 3.0 PERIOD OF PERFORMANCE

The period of performance will be conducted on a schedule agreed upon by the contractor and the government, not to exceed 270 days.

### 3.1 PERFORMANCE REQUIREMENTS

The period of performance shall not to exceed 270 days.

### 3.2 PERFORMANCE STANDARDS

Government shall use the monitoring methods cited to determine whether the performance standards have been met. A review of the Contractors performance for this contract will be placed in the Contractor Performance Assessment Reporting System (CPARS).

- a. **Exceptional.** Indicates performance clearly exceeds contractual requirements. The area of evaluation may contain a few minor problems for which corrective action appears highly effective. As stated in the PWS, Exceptional performance is delivery of repaired items back to stock 180 calendar days after vendor receipt of carcasses.
- b. **Satisfactory.** Indicates performance clearly meets contractual requirements. The area of evaluation contains some minor problems for which the corrective actions appear satisfactory. As stated in the PWS, Satisfactory performance is delivery of repaired items back to stock 181 to 270 calendar days after vendor receipt of carcasses.
- c. **Marginal.** Indicates performance meets contractual requirements. The area of evaluation contains one or more serious problems for which corrective actions have not yet been identified, appear only marginally effective, or have not been fully implemented. As stated in the PWS, Marginal performance is delivery of repaired items back to stock between 271 and 309 calendar days after vendor receipt of carcasses. Consideration is allowed here by the government for the vendor to deliver late without requesting a contract extension to save expenses for both parties however the rating will drop to marginal.
- d. **Unsatisfactory.** Indicates the Contractor is in danger of not being able to satisfy contractual requirements and recovery is not likely in a timely manner. The area of evaluation contains one or more serious problems for which the corrective actions appear ineffective. As stated in the PWS, Unsatisfactory performance is contract extension requests which delay delivery in excess of 30 days and was no fault of the government.

### 4.0 METRIC TRACKING

If the Contractor fails to meet the delivery requirement, the Government reserves all rights and remedies under the contract. The evaluation of contractor's Delivery Date will be reviewed at time of last shipment report provided by contractor.

## 5.0 DATA AND REPORTING

The Contractor shall provide the Failure Trend Analysis report as requested in the Contract Data Requirements List (CDRL) A001 within 10 days after preliminary evaluation of unserviceable assets with a final report after completion of repairs. Failure trend analysis is the process of collecting and analyzing data to determine the cause of a failure. Trend analysis refers to attempting to spot a pattern, or trend. The failures and faults of both hardware and software will be formally reported, analysis will be performed to the extent that the failure cause is understood and positive corrective actions are identified, implemented and verified to prevent further recurrence of the failure.

Root Cause Analysis will be conducted as a result of the trend analysis. The Root Cause analysis will be an engineering evaluation based on repair data. CDRL A002 requires a report after 10 days of preliminary evaluation and a final report after completion of repairs.

The Contractor shall report, via electronic form, the Repair Status Report (CDRL A003) on a monthly basis to include the component level details for the Head Mirror

The Contractor shall provide a Beyond Economical Repair (BER) Report (CDRL A004) as needed citing failures and root cause analysis. BER's will be based on 65% replacement value of a new production Head Mirror Unit. If contractor has determined the unit to be BER, the government must approve cannibalization and destruction of material prior to vendor performing such. Vendor will also provide to Marine Corp Logistics Command the appropriate signed destruction paperwork if approved referencing required information under the CDRL A004.

## 6.0 REPAIR, REPLACE, AND OVERHAUL

The Contractor shall return all units undergoing repair to Ready For Issue condition (RFI) or "A" Condition, where RFI (A) condition is defined as that condition where the equipment performs in accordance with its performance specifications in an operational environment and is in new like condition.

## 7.0 GOVERNMENT SOURCE INSPECTION REQUIREMENT

All product audits performed at the discretion of the DCMA QAR or other appropriate government representative shall be conducted by witnessing Contractor inspections or tests on a non-interference basis. When appropriate advance notification is furnished of the time of Contractor inspections or tests and the DCMA QAR is unavailable to witness the tests or inspections, the Contractor may proceed with the inspections or tests. The Contractor shall maintain records adequate to allow verification of all required inspections and tests. When necessary, Government verification of inspections or testing may be accomplished by records review.

## 8.0 TRANSPORTATION

The Government will ship all wholesale material to the Contractor at the Government expense. The Contractor will be responsible for transportation and in transit tracking of cargo within the Continental United States (CONUS) to the designated Marine Corps activity (DLA Albany).

The Marine Corps will be responsible for:

- a. Shipment of retrograde material to the Contractor.
- b. Retrograde packaging in proper equipment containers.

The Contractor will be responsible for:

- a. Shipment and Tracking of material to the Government (A DD Form 1348-1A or form DD1149 shipping document must be prepared for each shipment of units).
- b. Shipment of material to sub-vendor repair facilities.

## 9.0 GOVERNMENT FURNISHED PROPERTY (GFP)

The Government material referenced within this contract is considered Government Furnished Property. If material while in the vendor's possession is Missing, Lost or Stolen, the vendor will be required to furnish the government replacement costs equal to current market prices.

## 10.0 DIMINISHING MANUFACTURING SOURCES AND MATERIAL SHORTAGES MONITORING

The Contractor will monitor DMSMS over the entire period of the contract to ensure compliance with all performance and contract requirements. Responsibility includes all costs associated with locating part replacement, vendor interface, and engineering efforts. The Contractor shall develop a plan for managing the loss, or impending loss, of manufacturers or suppliers of components, assemblies, or materials used in the system. Changes considered necessary by the Contractor to ensure the continued manufacture and/or repair of the equipment shall be made in accordance with the Configuration Management requirements of this PWS.

## 11.0 CONFIGURATION MANAGEMENT

The Contractor may develop, prepare, submit, and incorporate configuration changes for approval by the Government in order to improve the reliability, availability, and maintainability of the sensor and laser.

## 12.0 RELIABILITY IMPROVEMENTS

This PWS will not incorporate any cost improvements. The government will however entertain contractor suggestions at no cost to the government.

## 13.0 DELIVERABLES

| ID   | Deliverable                           | Timeframe  | Owner         |
|------|---------------------------------------|--|---------------|
| A001 | Failure Trend Analysis Report         | After preliminary evaluation of carcasses and after completion of repairs. | Submit to COR |
| A002 | Root Cause Analysis Report            | After preliminary evaluation of carcasses and after completion of repairs. | Submit to COR |
| A003 | Repair Status Report by Serial Number | Monthly  | Submit to COR |
| A004 | Beyond Economical Repair Report       | As required  | Submit to COR |

# CONTRACT DATA REQUIREMENTS LIST

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ITSS - HEAD MIRROR UNIT  
2540-01-574-0696

CONTRACTS









**Quality Assurance Surveillance Plan For  
Improved Thermal Sight System (ITSS) Mirror, Head  
Unit with Container**

**NSN: 2540-01-574-0696**

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# QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)

## 1. INTRODUCTION

In accordance with FAR 46.4 and DFARS 237.172, this QASP is pursuant to the requirements listed in the ITSS Mirror, Head Unit with Container and the Contractors Performance Work Statement (PWS). This plan sets forth the procedures and guidelines that will be used in ensuring the required performance standards or services levels are achieved by the contractor.

### 1.1 Purpose

1.1.1 The QASP describes the systematic methods used to monitor performance and to identify the required documentation and the resources to be employed. The QASP provides a means for evaluating whether the contractor is meeting the performance standards/quality levels identified in the PWS par. 3.2 and, if applicable, the contractor's quality control plan (QCP), and to ensure that the government pays only for the level of services received.

1.1.2 This QASP defines the roles and responsibilities, identifies the performance objectives, defines the methodologies used to monitor and evaluate the contractor's performance, describes quality assurance documentation requirements, and describes the analysis of quality assurance monitoring results.

### 1.2 Performance Management Approach

1.2.1 The PWS structures the acquisition around "what" service or quality level is required, as opposed to "how" the contractor should perform the work (i.e., results, not compliance). This QASP will define the performance management approach taken to monitor and manage the contractor's performance to ensure the expected outcomes or performance objectives communicated in the PWS are achieved. Performance management rests on developing a capability to review and analyze information generated through performance assessment. The ability to make decisions based on the analysis of performance data is the cornerstone of performance management; this analysis yields information that indicates whether expected outcomes for the project are being achieved by the contractor.

1.2.2 Performance management represents a significant shift from the more traditional quality assurance (QA) concepts in several ways. Performance management focuses on assessing whether outcomes are being achieved and to what extent. This approach migrates away from scrutiny of compliance with the processes and practices used to achieve the outcome. A performance-based approach enables the contractor to play a large role in how the work is performed, as long as the proposed processes are within the stated constraints. The only exceptions to process reviews are those required by law (federal, state, and local) and compelling business situations, such as safety and health. A "results" focus provides the contractor flexibility to continuously improve and innovate over the course of the contract/delivery order as long as the critical outcomes expected are being achieved and/or the desired performance levels are met.

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## **1.3 Performance Management Strategy**

1.3.1 The contractor is responsible for the quality of all work performed. The contractor measures that quality through the contractor's own quality control plan (QCP). Quality control is work output, not workers, and therefore includes all work performed under this contract/delivery order regardless of whether the work is performed by contractor employees or by subcontractors. The contractor's QCP will set forth the staffing and procedures for self-inspecting the quality, timeliness, responsiveness, customer satisfaction, and other performance requirements in the PWS. The contractor will develop and implement a performance management system with processes to assess and report its performance to the designated government representative. This QASP enables the government to take advantage of the contractor's QCP.

1.3.2 The government representative(s) will assess performance using Contractor Performance Assessment Reporting System (CPARS) to determine how the contractor is performing against communicated performance objectives. The CPAR assesses a contractor's performance, both positive and negative, and provides a record on a given contract during a specified period of time. More information pertaining to CPARS can be found at:  
<http://www.cpars.csd.disa.mil/cparsfiles/pdfs/DoD-CPARS-Guide.pdf>  
Each assessment will be based on measurable data supportable by program and contract management data. CPAR performance expectations will be addressed in the Government and contractor's initial post award meeting. Potential sources of data may include, but are not limited to, the following:

- Status and progress reviews
  1. Failure trend analysis
  2. Root cause analysis
  3. Reliability improvement report (If applicable)
  4. DMSMS and configuration management report (If applicable)
  5. Work In Progress Status Report

## **2. ROLES AND RESPONSIBILITIES**

### **2.1 The Contracting Officer**

The contracting officer (KO) is responsible for monitoring contract/delivery order compliance, contract/delivery order administration, and cost control and for resolving any differences between the observations documented by the Contracting Officer Representative (COR) and the contractor. The KO will designate one full-time COR as the government authority for performance management. The number of additional representatives serving as technical inspectors depends on the complexity of the services measured, as well as the contractor's performance, and must be identified and designated by the KO.

## **2.2 Focal Point (FP):**

The FP is responsible for:

- (1) Ensuring all new contracts that exceed the threshold criteria are registered in CPARS
- (2) Collection, distribution and control of CPARS
- (3) Assisting the Assessing Official with
  - a. Training
  - b. Timely reporting
  - c. High integrity of program
- (4) Providing access to the CPARS AIS for authorized individuals on specific contracts

## **2.3 Assessing Official (AO) and/or Contracting Officer Representative (COR)**

The COR is designated in writing by the KO to act as his or her authorized representative to assist in administering a contract/delivery order. COR limitations are contained in the written appointment letter. The COR is responsible for technical administration of the project and ensures proper government surveillance of the contractor's performance. The COR is not empowered to make any contractual commitments or to authorize any contractual changes on the government's behalf. Any changes that the contractor deems may affect contract price, terms, or conditions shall be referred to the KO for action. The COR will act as the AO and will have the responsibility for preparing and processing the CPAR. CORs are encouraged to discuss contract performance with the contractor during the performance period and CPAR process. Government surveillance may occur under the inspection of services clause for any service relating to the contract/delivery order. The AO's responsibilities include:

- 1) Overall responsibility for execution and achievement of program goals
- 2) Evaluation of contractor performance including the rating and required narrative to support the rating.
- 3) Preparation of documentation and assessment ensuring input from specialists and team members, when appropriate
- 4) Preparing and signing transmittal letters
- 5) Notifying the contractor that a CPARS is ready for review
- 6) Entering, modifying and finalizing information in Blocks 1-21, when necessary
- 7) Notifying contractor of any revisions based on contractor comments
  - a. Forwarding evaluations to the RO which are in disagreement or when requested by the contractor or when the contractor fails to respond to the assessment, or, in the alternative

## **2.4 CPAR Reviewing Official (RO)**

The RO is a person responsible for:

- (1) Providing checks and balances needed to ensure report integrity
- (2) Consideration and reconciliation, if possible, of any significant discrepancies between the AO's evaluation and the contractor's comments

### **3. IDENTIFICATION OF REQUIRED PERFORMANCE STANDARDS/QUALITY LEVELS**

The required performance standards and quality levels are included in the PWS and in this document as Enclosure 1, "Performance Standards". They are structured to allow the contractor to manage how the work is performed. If the contractor meets the required service or performance level, the contractor will receive positive CPARS ratings. If the contractor fails to meet the required performance level, the result will be negative CPARS ratings.

### **4. QUALITY ASSURANCE DOCUMENTATION**

#### **4.1 The Performance Management Feedback Loop**

The performance management feedback loop begins with the communication of expected outcomes. Performance standards and performance monitoring techniques are expressed in Enclosure 1.

#### **4.2 Monitoring System**

The government's QA surveillance, accomplished by the AO, will be reported using CPARS. CPARS evaluations shall be conducted on an annual basis.

### **5. ANALYSIS OF QUALITY ASSURANCE ASSESSMENT**

#### **5.1 Determining Performance**

5.1.1 Government shall use the monitoring methods cited to determine whether the performance standards and AQLs have been met. If the contractor has not met the minimum requirements the contractor will receive a negative CPARS review.

a. Exceptional. Indicates performance clearly exceeds contractual requirements. The area of evaluation may contain a few minor problems for which corrective action appears highly effective. As stated in the PWS, Exceptional performance is delivery of repaired items back to wholesale stock less than 180 calendar days after vendor receipt of carcasses.

b. Satisfactory. Indicates performance clearly meets contractual requirements. The area of evaluation contains some minor problems for which the corrective actions appear satisfactory. As stated in the PWS, Satisfactory performance is delivery of repaired items back to wholesale stock 181 to 270 calendar days after vendor receipt of carcasses.

c. Marginal. Indicates performance meets contractual requirements. The area of evaluation contains one or more serious problems for which corrective actions have not yet been identified, appear only marginally effective, or have not been fully implemented. As stated in the PWS, Marginal performance is delivery of repaired items back to wholesale stock between 271 and 309

calendar days after vendor receipt of carcasses. Consideration is allowed here by the government for the vendor to deliver late without requesting a contract extension to save expenses for both parties however the rating will drop to marginal.

d. Unsatisfactory. Indicates the Contractor is in danger of not being able to satisfy contractual requirements and recovery is not likely in a timely manner. The area of evaluation contains one or more serious problems for which the corrective actions appear ineffective. As stated in the PWS, Unsatisfactory performance is contract extension requests which delay delivery an additional 30 days and was no fault of the government.

## **5.2 Reviews and Resolution**

5.2.1 Upon AO review and signature of the CPAR by the AO the contractor will be notified and given the opportunity to review and comment to indicate concurrence/non-concurrence. If the contractor does not concur the RO shall resolve significant discrepancies between the AO's evaluation and the contractor's comments.

## **6. PERFORMANCE STANDARDS**

Enclosure 1 provides standards that will be used to measure contractor performance. The contractor performance will be measured at the end of 180 days or when repaired material has been delivered whichever is the later by the AO and depending upon performance, the contractor will receive either a positive or negative CPARS rating. CPARS ratings are used for future source selection evaluations.