

WARNING

THIS CONTRACT INVOLVES HAZARDOUS MATERIAL

SEE SEPARATE HAZARDOUS COMPONENT SAFETY
DATA STATEMENTS FOR TECHNICAL DATA
AND SAFETY REQUIREMENTS

(TITLE OF END ITEM AND IFB, RFQ, RFP'S, ETC. OR CONTRACT NUMBER)
DAAE20-99-R-0208 DAAE20-00-D-0009
Item: Receiver Cartridge, NSN 1005-01-214-8884
End Use: M249 SAW

**FIRMS MUST HAVE ADEQUATE FACILITIES
FOR HANDLING AMMUNITION, EXPLOSIVES,
or other unique military related dangerous material
involved that could adversely affect personnel and
property in the event of explosion, fire or exposure.
Prior to contract award, the Government will thoroughly
investigate the ability of prospective contractor to
comply with safety requirements.**


FN MANUFACTURING, INC.

P.O. BOX 24257, COLUMBIA, SC 29224 (MAILING)
 797 CLEMSON RD., COLUMBIA, SC 29229 (SHIPPING)
 (803) 736-0522 (PHONE) 803-736-4169 (FAX)

December 13, 1999

Department of the Army
 Armament and Chemical Acquisitions
 And Logistics Activity
 Building 110
 Rock Island, IL 61299-7630

ATTENTION: Ms. Teresa Stottlemyre
SUBJECT: Solicitation DAAE20-99-R-0208, Amendment 1
REFERENCE: CBD 09/14/99

Dear Ms. Stottlemyre:

In response to the subject solicitation, FN Manufacturing, Inc. is agreeing to the following prices:

ITEM	DESCRIPTION	UNIT PRICE	EXTENDED
Ordering Period 1 Receiver Cartridge			
250-499		\$ 513.73	
500-999		\$ 513.73	
1000-1200		\$ 513.73	
Most likely Qty. 1033		\$ 513.73	\$ 530,683.04
Ordering Period 2			
250-499		\$ 533.31	
500-999		\$ 533.31	
1000-1200		\$ 533.31	
Most likely Qty. 354		\$ 533.31	\$ 188,791.74

FN MANUFACTURING, INC.

Ordering Period 3

250-499	\$ 553.53	
500-999	\$ 553.53	
1000-1200	\$ 553.53	
Most likely Qty. 935	\$ 553.53	
		\$ 517,550.55

Note: Unit price is applicable to both basic and option quantities.

Delivery: 150 Days ARO

TERMS AND CONDITIONS:

Packaging: In accordance with applicable packaging instructions.
Inspection/Acceptance: Source
F.O.B. Point: Destination
Validity: This proposal will remain valid for 60 days from this date

Any other terms and conditions, not specifically stated herein, will be subject to negotiation and acceptance by ACALA and FNMI.

FNMI is pleased to have the opportunity of providing this proposal, and we look forward to an early receipt of your confirming order.

Please contact Allen Hair at 803/736-0522 ext. 271 (email allenh@fnmfg.com) should you have any questions.

Sincerely,



Jeff Rankin
Director of Contracts

Note: The offeror shall fill in only the unit price blocks.

All other spaces are for government evaluation Purposes Only.

**DAAE20-99-R-0208
Cartridge Receiver
Price Evaluation Sheet**

NSN: 1005-01-214-8884

P/N: 9348202

Item: Cartridge Receiver

Ordering Period 1			Ordering Period 2		Ordering Period 3		Total
Range	Unit Price	Wgt.	Unit Price	Wgt.	Unit Price	Wgt.	Amount
250-499	\$513.73	10%	\$533.31	60%	\$553.53	10%	
500-999	\$513.73	30%	\$533.31	30%	\$553.53	70%	
1000-1200	\$513.73	60%	\$533.31	10%	\$553.53	20%	
Weighted Unit Price		100%		100%		100%	
Most Likely Quantity	1,033		354		935		
Weighted Total Price							

**FN MANUFACTURING, INC.**

P.O. BOX 24257, COLUMBIA, SC 29224 (MAILING)
797 CLEMSON RD., COLUMBIA, SC 29229 (SHIPPING)
(803) 736-0522 (PHONE) 803-736-4169 (FAX)

January 5, 2000

Department of the Army
Armament and Chemical Acquisitions
And Logistics Activity
Building 110
Rock Island, IL 61299-7630

ATTENTION: Ms. Teresa Stottlemyre
SUBJECT: Solicitation DAAE20-99-R-0208, Amendment 0001
REFERENCE: E-Mail dated 28 September 1999

Dear Ms. Stottlemyre:

In response to the subject solicitation concerning Amendment No. 0001, which states the need to incorporate clause entitled "California Sales and Use Tax", FAR 52.229, (IF 7002) and delete clause entitled "Government Furnished Property (short form), FAR 52.245-4 (IFO142).

FN Manufacturing has no issues in accepting these changes. Should you have any questions please contact Allen Hair at 803/736-0522, ext. 271 or email (allenh@fnmfg.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Rankin', is written over the typed name.

Jeff Rankin

Director of Contracts/Sales & Marketing

**SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS, WOMAN OWNED,
HISTORICALLY BLACK COLLEGES/UNIVERSITIES,
MINORITY INSTITUTION PLAN AND HUBZone**

REVISION #: 1

DATE:

10/04/99

RBI #99-291

This uniform program is to be used by FN Manufacturing, Inc. (FNMI) in the performance of contracts with agencies of the United States Government in implementing the provisions thereof as they apply to Small Business, Small Disadvantaged Individuals Companies Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZones.

PROGRAM IDENTIFICATION M249 Receiver assemble

REQUEST FOR PROPOSAL NO. DAAE20-99-R-0208

CONTRACT NUMBER:

TOTAL DOLLAR AMOUNT: \$ 2,322,600.00 if option / \$'s Included

PREPARED BY: *Cathy Miller*
CATHY MILLER
SMALL BUSINESS LIAISON OFFICER
FNMI

APPROVED BY: *Ronald R Vallee*
RONALD R VALLEE
DIRECTOR, FINANCE
FNMI

10-4-99
DATE

10-4-99
DATE

(government) Reviewed by: _____ (government) APPROVED BY: _____

DATE

DATE

POLICY

FNMI has established and conducts an on-going program dedicated to the intent of FAR 52.219-9 and DFARS 219.704 and as prescribed in 19.708(b) the Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Jan 1999). As a responsible corporate citizen, we recognize and are sensitive to the community needs in the areas in which we operate. Procurement from Small/Small Disadvantaged/Women Owned Businesses is a part of our normal business procedures. *Opportunities for procurement from Historically Black Colleges, Universities, Minority Institutions and HUDZone's are severely limited due to the type of products that are procured in this contract.*

It is our policy to help Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's to achieve economic equality by fostering and encouraging entrepreneurs. To effectively implement this plan, we have and will continue to:

1. Issue and promulgate company wide policy statements, and develop written procedures, which will be issued to each buyer.
2. Demonstrate continuing management interest through regular reviews of progress and the establishment of overall company goals and objectives as our particular operation may dictate.
3. Train and motivate personnel regarding the support of Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's.
4. Facilitate Small/Small Disadvantaged/Women Owned Businesses and HUBZones's participation by various actions such as time for preparation, delivery schedules, etc.
5. Give adequate and timely consideration of Small/Small Disadvantaged/Women Owned Businesses and HUBZone's Potential in "make and buy" decisions.
6. Counsel and discuss subcontracting opportunities with Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's.

Note:

- A. All references within this plan denoting "Small Businesses, Small Disadvantaged Businesses, Woman-Owned Small Businesses, Native American Owned Small Businesses, Historically Black Collages and Universities, Minority Institutions and HUB Zone Small Businesses. From this point on, FNMI can communities, except when designating goals.

It is the policy of FNMI that the maximum practicable opportunity to participate, will be extended to Small/Small Disadvantaged/Women Owned Businesses and HUBZone's. To this end, it will be the responsibility of all personnel who have a purchasing decision-making role in the purchasing of goods or services:

1. To utilize all available resources in the identification and placement of business with Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's.
2. To expand the markets of these Small Business concerns by affording the opportunity of increasing their sales to us.

The Procurement Department acquisition function provides a balanced program for developing and maintaining an action oriented involvement to further the interests of FNMI and the intent of FAR 52.219-9 and the Small Business Act (15 U.S.C. 637(d)(4), et seq.) including section 7106 of FASA, sections 8 and 15 of the Small Business Act (1999). Our interest in assuring that the Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's will have equal opportunities to compete for subcontracts is expressed by the following:

1. The finding and the utilization of new Small business/Small Disadvantaged Businesses/Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's is endemic to procurement responsibilities and each buyer is measured by Procurement Management on how well he or she has met this requirement.
2. On site libraries have been established containing directories and source information to facilitate locating Small Businesses and Small Disadvantaged Businesses/ Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's as well as each buyer having internet access.
3. The position of Program Administrator has been established to provide experienced insight and knowledge for all phases of our acquisition process.
4. FNMI has conducted, and will continue to conduct, vendor visits for facility evaluation and determination of potential or actual feasibility of a business relationship.
5. FNMI has participated, and will continue to participate, in trade fairs and provide booths, material displays, and provide personnel for interviews, conferences, and establish good public relations.
6. FNMI shall submit semi-annual reports by subcontract plan measuring the adherence and goals as established.

GOALS (BASIC CONTRACT)

In accordance with FAR 52.219-9, and DFARS 219.704 and as prescribed in 19.708(b) the Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Planed (Jan 1999). The following subcontracting goals, basic contract, for

M249 Receiver Assemble

have been formalized.

FNMI has established the following goals for award to Small Businesses, Small Disadvantaged Businesses, Women Owned Small Businesses, Historically Black Colleges, Universities/Minority Institutions and HUBZone's concerns:

1. Total estimated dollars planned to be subcontracted for an individual contract /modification/task order pertaining to the plan is \$285,604.00
2. Total estimated dollars planned to be subcontracted to small businesses concerns (SB) \$213,978.00 which is estimated in percent of the total planned subcontract amount 75 %
3. Total estimated dollars planned to be subcontracted to Small Business concerns owned and controlled by socially and economically Disadvantaged individuals and companies (SDB) estimated dollar value is \$0 (SDB) 0 % percent of the total planned subcontract amount.
*This request for bid does not give FNMI an opportunity to use our present SDB's and WOSB. The SDB's, WOSB or HUBZone's that are presently being used are plating suppliers and added services not required by this contract. FNMI will continue to seek quantified new SDB's, WOSB or HUBZone's for requirements that come available. As FNMI's standard form 295 shows, we are committed as a company to using and increasing our business with SDB's, WOSB's or HUBZone's.
4. Total estimated dollars planned to be subcontracted to Small Businesses concerns which are owned and control by Women \$0 (WOSB) 0 % percent of the total planned subcontract amount. ** see above note
5. Total estimated dollars planned to be subcontracted to Historically Black Colleges/Universities, and or Minority Institutions is \$0 (HBCU/MI) 0% percent of the total planned subcontract amount.
**** This contract does not give FNMI the opportunity to award business to HBCU/MI.
6. Total estimated dollars planned to be subcontracted to HUBZone small business concerns is 0 (HUBZone), 0% percent of the total planned subcontract amount.
***See above note.

Note:

- B. All references within this plan denoting "Small Businesses, Small Disadvantaged Businesses, Woman-Owned Small Businesses, Native American Owned Small Businesses, Historically Black Colleges and Universities, Minority Institutions and HUB Zone Small Businesses. From this point on, FNMI can communities, except when designating goals.

- C. Indirect and overhead dollars were not included in the establishment of the Small or Small Disadvantaged Business goal.

- C. The goals recorded in this plan were derived through a series of analyses. On new contracts a cost analysis of the Bill of Material is utilized. On contracts having a procurement history an analysis of that history is performed analyzing success factors and new firms found to be in the market. Note is taken that there are those items that are unique in design, sole source supplier, existing tooling. In the case of Engineering Development where there is no Bill of Material or history, an extrapolation of those known items considered to be a part of the final unit are reviewed and used to estimate the goals.

GOALS [OPTION # B (if applicable)]

In accordance with FAR 52.219-9, and DFARS 219.704 and the Small Business Act (15 U.S.C. 631, et seq.) including section 7106 of FASA, sections 8 and 15 of the Small Business Act (1994), the following subcontracting goals, option #

for _____ have been formalized.

FNMI has established the following goals for award to Small Business, Small Disadvantaged Businesses, Women Owned Small Business, Historically Black Colleges, Universities/Minority Institutions and HUBZone's concerns:

1. Total estimated dollars planned to be subcontracted for an individual contract /modification/task order pertaining to the plan is \$0
2. Total estimated dollars planned to be subcontracted to small businesses concerns (SB) 0 which is estimated in percent of the total planned subcontract amount 0 %
3. Total estimated dollars planned to be subcontracted to Small Business concerns owned and controlled by socially and economically Disadvantaged individuals and companies (SDB) estimated dollar value is \$0 (SDB) 0 % percent of the total planned subcontract amount.

*This request for bid does not give FNMI an opportunity to use our present SDB's and WOSB. The SDB's, WOSB or HUBZone's that are presently being used are plating suppliers and added services not required by this contract. FNMI will continue to seek quantified new SDB's, WOSB or HUBZone's for requirements that come available. As FNMI's standard form 295 shows, we are committed as a company to using and increasing our business with SDB's, WOSB's or HUBZone's.

4. Total estimated dollars planned to be subcontracted to Small Businesses concerns which are owned and control by Women \$0 (WOSB) 0 % percent of the total planned subcontract amount. ** see above note
5. Total estimated dollars planned to be subcontracted to Historically Black Colleges/Universities, and or Minority Institutions is \$0 (HBCU/MI) 0 % percent of the total planned subcontract amount.

**** This contract does not give FNMI the opportunity to award business to HBCU/MI.

6. Total estimated dollars planned to be subcontracted to HUBZone small business concerns. is 0 (HUBZone), 0% percent of the total planned subcontract amount.

***See above note.

PAGE 6 of 10

Note:

- A. Indirect and overhead dollars were not included in the establishment of the Small and Small Disadvantaged Business goal.
- B. The goals recorded in this plan were derived through a series of analyses. On new contracts a cost analysis of the Bill of Material is utilized. On contracts having procurement history an analysis of that history is performed analyzing success factors and new firms found to be in the market. Note is taken that there are those items that are unique in design, sole source supplier, existing tooling. In the case of Engineering Development where there is no Bill of Material or history, an extrapolation of those known items considered to be a part of the final unit are reviewed and used to estimate the goals.

ADMINISTRATION

The following noted Program Administrator, who is a bona fide employee of FNMI, is assigned to administer the subcontracts/purchase orders on

M249 Receiver Assemble

Program Administrator is:

**FN MANUFACTURING, INC.
P. O. BOX 24257
COLUMBIA, SC 29224**

CATHY MILLER, SMALL BUSINESS LIAISON OFFICER

(803) 736-0522 EXT. 268

The duties and responsibilities of the Program Administrator includes but are not limited to the following:

1. Be a party to make or buy decisions; and
2. Be a party to award decisions; and
3. Endorse bid lists to ensure that source lists have been properly utilized. Qualified sources may be added; and
4. On a continuing basis, search out and obtain qualified sources to be added to the source list; and
5. Ensure that the Subcontractor Administrator/Buyer will:
 - (a) Monitor subcontracts awarded to ensure that the subcontractor is provided with the proper guidance to assure satisfactory completion of the subcontract.
 - (b) Assure lower tier subcontractor compliance with the Subcontracting Plan.
6. Establish the Small/Small Disadvantaged/Women Owned Business goals soliciting assistance from the President when necessary.

METHOD AND OBJECTIVES:

1. FNMI shall include the clauses entitled "Utilization of Small Business, Small Disadvantaged Business and Women Owned Concerns" in all subcontracts which offer further subcontracting possibilities and will require all subcontractors (except Small Business concerns) who receive subcontracts in excess of \$500,000 or, in the case of a contract for construction of any public facility of \$1,000,000, to adopt a plan in consonance with this plan.
2. FNMI shall actively and diligently search for and identify Small Business, Small Disadvantaged Business and Women Owned concerns and assist those qualifiable to qualify as competitive suppliers of goods and services necessary for our operations. This effort will be accomplished through the utilization of Columbia, South Carolina Office of the Small Business Administration and businesses located through attendance of trade shows, seminars, conferences, etc.
3. FNMI shall purchase from Small/Small Disadvantaged/Women Owned Businesses the following supplies and services:
 1. Assemblies; (2) Machining; (3) Electronic Components; (4) Consultants; (5) Raw Materials; (6) Hardware; but not limited thereto.
4. FNMI shall purchase research or study services of the type normally performed by higher educational institutions from Historically Black Colleges and Universities and Minority Institutions.

RECORDS AND REPORTS

The Administrator will oversee the compliance of this plan. The Administrator will prepare, maintain, and submit all reports, comply with surveys, and assist in audits on a contract-by-contract basis as may be deemed necessary by pertinent government agencies.

The following is made available to appropriate personnel:

Small/Small Disadvantaged/Women Owned Business source lists, guides and other data identifying Small and Small Disadvantaged Business and Women Owned Business vendors. This includes, but is not limited to, the following:

- "Try Us" National Minority Business Directory;
- "Minority Business Directory of South Carolina".

2. Organizations contacted for Small Disadvantaged Business vendors. This includes, but is not limited to, the following:
 - U. S. Small Business Administration, Region IV and Procurement Automated Source System (PASS);
 - South Carolina Office of Small and Minority Business Assistance.
3. On a contract-by-contract basis, records on all contract solicitation over \$25,000 indicating on each solicitation (a) whether Small Business was solicited, and if not, why not; (b) whether Small Disadvantaged Business was solicited; and if not, why not; and (c) reasons for the failure of responding Small Businesses to receive the subcontract award.
4. Records to support such efforts as:
 - a. Contacts with Disadvantaged and Small Business Trade Associations;
 - b. Contact with business development organizations; and,
 - c. Attendance of Small and Disadvantaged Business procurement conferences and trade fairs.
5. Records to support internal activities to guide and encourage buyers, such as:
 - a. Workshops, seminars, training programs, etc.; and,
 - b. Monitoring activities to evaluate compliance.
6. On a contract-by-contract basis, records to support award data submitted to the Government to include name, address, and size status of subcontractors.

FNMI will submit such periodic reports and cooperate in any studies or surveys as may be required by the Government agency or the Small Business Administration in order to determine the extent of compliance by the offeror with the subcontracting plan.

On a semi-annual basis, Standard Form 294 & 295 will be submitted to the DCAS Office in accordance with instructions provided on the particular form.