

**FN MANUFACTURING, INC.**

P.O. BOX 24257, COLUMBIA, SC 29224 (MAILING)
797 CLEMSON RD., COLUMBIA, SC 29229 (SHIPPING)
(803) 736-0522 (PHONE) (803) 736-7597 (FAX)

July 13, 2001

Department of the Army
TACOM-RJ
AMSTA-LC-CSC-A
Rock Island, IL 61299-7630

ATTENTION:

Ms. Teresa Stottlemyre

SUBJECT:

Extension of Quotation Validity

REFERENCE:

Letter, TACOM-RJ, subject: *Solicitation DAAE20-01-R-0097, Piston, Gun Gas Cylinder, P/N 9348405, NSN: 1005-01-134-6737, 5 year IDIQ with guaranteed minimum quantity of 1,110 each, dated 9 Jul 01*

Dear Ms. Stottlemyre:

In response to referenced letter, FN Manufacturing, Inc. agrees to extend the validity of our proposal to 29 Sep 01. Should you have any questions, or need additional information, please contact Joe Taylor at 803/736-0522, Ext. 346 or joet@fmmfg.com.

Sincerely,


Jeff Rankin
Director, Contracts

MEMORANDUM OF AGREEMENT between FN Manufacturing and TACOM

Proposal Number: DAAE20-01-R-0097
RBI Number: RBI 01-204
Date of Plan: May 22, 2001

Total dollars Amount \$1,373,895
all options dollars included

Program Identification: **M249 PISTON ASSEMBLY P/N 9348405**

Plan Statement:

This Individual Subcontracting Plan is submitted for the above proposal. This plan represents FNMI's commitment to provide equitable opportunities to the various members of the Small Business Communities (as defined below), to win awards made by FNMI against the above solicitation and resulting contract.

Definition:

All references within this Individual Subcontracting Plan (Plan) to the various members of the Small Business Communities, shall be described as "Small Business" except for explicit goals.

Small Business shall consist of, but not be all inclusive of the following:

- | | | |
|---|---|---------------|
| a | Small Non-Disadvantaged Business concerns. | (SBs) |
| b | Small Disadvantaged Business concerns. | (SDBs) |
| c | Women-Owned Small Business concerns. | (WOSBs) |
| d | Historically Underutilized Business concerns. | (HUBZone SBs) |
| e | Historically Black Colleges and Universities. | (HBCUs) |
| f | Minority Institutions. | (Mis) |
| g | Native American Enterprises | (NAEs) |
| h | National Industries for the Blind. | (NIBs) |
| i | NISH (f.k.a. Nat. Industries for the Severally Handicapped) | (NISH) |
| J | Veteran-Owned Small Business concerns. | (VOSB) |
| K | Service-Disabled Veteran-Owned Small Business concerns. | (SDVOSB) |

All of the above classifications are defined in depth in Federal Acquisition Regulation (FAR).

Policy:

FNMI has established and continues to conduct an on-going Small Business Subcontracting Program (Program) which is dedicated and supported by senior management to provide equitable opportunities for SBs to bid on and win awards let by FNMI as applicable to the above solicitation as well as other government and non-govt. contracts.

To this end, the following provides specific FAR requirements as found in FAR 52.219-9 and DFARS 219-704 and as prescribed in 19.708(b) the Small, Small Disadvantage and Woman-Owned Subcontracting plan, (Oct. 2000) and how FNMI shall address each element.

FAR 52.219-9(d)(1) and (2) and DFARS 219.704 and as prescribed in 19.708(8) (Oct. 2000) apply to all options

Goals for the Option # 1 Award - 31Dec 2001:

a	Total estimated to be subcontracted to all business classifications:	<u>\$173,129</u>	<u>100.0%</u>
b	Total planned subcontracting to SBs:	<u>\$173,129</u>	<u>100.0%</u>
c	Total planned subcontracting to LBs:	<u>\$0</u>	<u>0.0%</u>

The following are subsets of the above SBs:

b1	SDBs: (see note)	<u>\$0</u>	<u>0.0%</u>
b2	WOSBs:	<u>\$0</u>	<u>0.0%</u>
b3	HUBZone SBs:	<u>\$0</u>	<u>0.0%</u>
b4	VOSBs	<u>\$0</u>	<u>0.0%</u>
b5	SDVOSBs	<u>\$0</u>	<u>0.0%</u>
b6	No other planned subcontracting for other classifications of Small Businesses.		

Goals for the Option Year # 2 1JAN 2002-31DEC 2002:

a	Total estimated to be subcontracted to all business classifications:	<u>\$311,930</u>	<u>100.0%</u>
b	Total planned subcontracting to SBs:	<u>\$311,930</u>	<u>100.0%</u>
c	Total planned subcontracting to LBs:	<u>\$0</u>	<u>0.0%</u>

The following are subsets of the above SBs:

b1	SDBs: (see note)	<u>\$0</u>	<u>0.0%</u>
b2	WOSBs:	<u>\$0</u>	<u>0.0%</u>
b3	HUBZone SBs:	<u>\$0</u>	<u>0.0%</u>
b4	VOSBs	<u>\$0</u>	<u>0.0%</u>
b5	SDVOSBs	<u>\$0</u>	<u>0.0%</u>
b6	No other planned subcontracting for other classifications of Small Businesses.		

Goals for the Option Year # 3 1JAN 2003-31DEC 2003:

a	Total estimated to be subcontracted to all business classifications:	<u>\$266,569</u>	<u>100.0%</u>
b	Total planned subcontracting to SBs:	<u>\$266,569</u>	<u>100.0%</u>
c	Total planned subcontracting to LBs:	<u>\$0</u>	<u>0.0%</u>

The following are subsets of the above SBs:

b1	SDBs: (see note)	<u>\$0</u>	<u>0.0%</u>
b2	WOSBs:	<u>\$0</u>	<u>0.0%</u>
b3	HUBZone SBs:	<u>\$0</u>	<u>0.0%</u>
b4	VOSBs	<u>\$0</u>	<u>0.0%</u>
b5	SDVOSBs	<u>\$0</u>	<u>0.0%</u>
b6	No other planned subcontracting for other classifications of Small Businesses.		

Goals for the Option Year # 4 1JAN 2004-31DEC 2004:

a	Total estimated to be subcontracted to all business classifications:	<u>\$293,074</u>	<u>100.0%</u>
b	Total planned subcontracting to SBs:	<u>\$293,074</u>	<u>100.0%</u>
c	Total planned subcontracting to LBs:	<u>\$0</u>	<u>0.0%</u>

The following are subsets of the above SBs:

b1	SDBs: (see note)	<u>\$0</u>	<u>0.0%</u>
b2	WOSBs:	<u>\$0</u>	<u>0.0%</u>
b3	HUBZone SBs:	<u>\$0</u>	<u>0.0%</u>
b4	VOSBs	<u>\$0</u>	<u>0.0%</u>
b5	SDVOSBs	<u>\$0</u>	<u>0.0%</u>
b6	No other planned subcontracting for other classifications of Small Businesses.		

Goals for the Option Year # 5 1JAN 2005-31DEC 2005:

a	Total estimated to be subcontracted to all business classifications:	<u>\$329,193</u>	<u>100.0%</u>
b	Total planned subcontracting to SBs:	<u>\$329,193</u>	<u>100.0%</u>
c	Total planned subcontracting to LBs:	<u>\$0</u>	<u>0.0%</u>

The following are subsets of the above SBs:

b1	SDBs: (see note)	<u>\$0</u>	<u>0.0%</u>
b2	WOSBs:	<u>\$0</u>	<u>0.0%</u>
b3	HUBZone SBs:	<u>\$0</u>	<u>0.0%</u>
b4	VOSBs	<u>\$0</u>	<u>0.0%</u>
b5	SDVOSBs	<u>\$0</u>	<u>0.0%</u>
b6	No other planned subcontracting for other classifications of Small Businesses.		

Note: FNMI will continue to challenge ourselves to find opportunities within the scope of this proposal for the use of HUBzone's and SDVOSB's.

We will continue to search PRO-Net and a regular bases and send quotes out for bid.

FAR 52.219-9(d)(3):

The matrix located as an attachment to this Plan shows the proposed principal types of products/services planned for subcontracting and which make up the majority of the above subcontracting goals.

FAR 52.219-9(d)(4):

The goals for this proposal were developed using the following:

- 1 A listing of the Bill of Materials.
- 2 Negotiations made with all business classifications against this Bill of Materials.
- 3 Internal FNMI database of approved vendors.
- 4 Hard copy and internet resources maintained by the SBLO for locating SBs.

FAR 52.219-9(d)(5):

The following was used to assist FNMI in identifying potential sources for solicitation purposes:

- 1 SBA's Pro-Net
- 2 South Carolina Office of Small and Minority Business Assistance.
- 3 Try Us National Minority Business Directory
- 4 Minority Business Directory of South Carolina.

FAR 52.219-9(d)(6):

Indirect costs were not used in the development of the above subcontracting goals.

FAR 52.219-9(d)(7):

This Plan and FNMI's Small Business Subcontracting Program shall be under the administration of:

Name:	<u>Cathy Miller</u>
Title:	<u>Senior Buyer SBLO</u>
Voice line:	<u>803/736-0522</u> ext. <u>268</u>
Fax line:	<u>803/736-4169</u>
E-mail:	<u>cathym@fnfmg.com</u>

FAR 52.219-9(d)(8):

The following efforts shall be undertaken by FNMI to ensure that all SBs have an equitable opportunity to bid on and win awards made by FNMI:

- a The SBLO shall review all solicitation to ensure any discriminatory clauses which would possible barr SBs from bidding are removed.
- b The SBLO is involved in FNMI's Make/Buy Committee.
- c The SBLO and all persons responsible for purchasing will provide counseling to SBs on how to sell to our company.
- d The SBLO will provide, or make arrangement for the providing of training for all purchasing personnel, as well as awareness training for other company members and management.
- e When the listing of vendors is extremely long, FNMI will rotate such vendors to ensure all have an equitable opportunity to bid on contracts let by FNMI.
- f FNMI will provide technical, financial and managerial assistance to SBs when feasible, within the scope of our contract actions and not detrimental to the government.

FAR 52.219-9(d)(9):

FNMI shall include the clause at FAR 52.219-8, Utilization of Small Business Concerns... in all subcontracts which offer further subcontracting opportunities, exceeding the small purchases threshold, and awarded to large business concerns.

FNMI shall request all LBs receiving contracts in excess of the small purchases threshold to adopt a

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subcontracting plan similar to FNMI's Plan. The SBLO is responsive for approval of said plan prior to award of purchase order/contract.

FNMI shall request all LBs receiving such a contract submit Standard Forms 294 and 295.

FAR 52.219-9(d)(10):

- 1 FNMI will cooperate in any studies or surveys as may be required.
- 2 FNMI shall submit periodic reports in order to allow the Government to determine the extent of compliance by FNMI with the Plan.
- 3 FNMI will submit the SF294s and SF295s in accordance with the instructions on the forms.
- 4 FNMI will request large subcontractors receiving applicable valued contracts to submit the SF294 & SF 295.

FAR 52.219-9(d)(11):

FNMI shall maintain and provide, upon request, the following types of records to demonstrate our compliance with this Plan:

- a Library sources, both hard copy and electronic.
- b Copies of letters, telephone memos, conversations, etc. with organizations which FNMI will contact to obtain new SBs.
- c Copies of FNMI's outreach efforts including our contact with Trade Associations, Business Development organizations and Conferences/trade fairs/seminars attended to obtain new SBs.
- d On each of FNMI's solicitations which exceeds \$100,000, FNMI shall address the following:
 - d1 Whether a SB was solicited, and if not, why not.
 - d2 Whether a SDB was solicited, and if not, why not.
 - d3 Whether a WOSB was solicited, and if not, why not.
 - d4 Whether a HUBZone SB was solicited, and if not, why not.
 - d5 Whether a VOSB was solicited, and if not, why not.
 - d6 Whether a SDOSB was solicited, and if not, why not.
 - d7 When applicable the reason any solicited SB failed to receive the award.
- e Records on internal guidance and encouragement provided to buyers through (1) Training, (2) Seminars (3) Workshops, and monitoring performance to evaluate compliance with our program requirements.
- f On a contract by contract basis, records to show name, address and business size of the winner of the award.

PLAN APPROVAL:

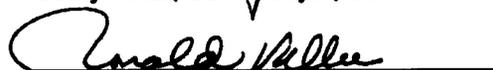
1 Plan drafted by:


 Cathy Miller, Senior Buyer, SBLO FNMI

on:

5/24/01

2 Co. approval:


 Ronald Vallee, Director Finance FNMI

on:

5/24/01

3 Govt. review:

on:

4 Govt. approval:

on:

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