

LOGISTICS
STATEMENT OF WORK

For

**Light Service Vehicle Wheeled (LSVW) Standard
Military Pattern (SMP)**

Including

Component

Major Equipment

Accountable Advance Spares

OPI: DSVPM 3

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W8486-218015/A - LSVW R&O Engine, fuel injector pump, turbocharger, & fuel injectors

Record of Changes

Identification of changes		Date Entered	Signature
CH #.	Date		

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1.0 GENERAL INTRODUCTION

1.1 AIM (INFORMATION ONLY)

This LOG SOW will entail contract conditions for Repair and Overhaul contracts for:

Component R&O: This document will describe the roles and responsibilities in the end to end repair process.

Major Equipment: For complete instructions on receipt of Major Equipment, refer to Chapter 2

Accountable Advance Spares For complete instruction on AAS, refer to Chapter 8.2.7

The following Chapters will be identified as mandatory or information only

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Ch. 1.0 GENERAL INTRODUCTION (Information Only)

1.1 AIM (Information Only)

This section will describe the system of record for use by DND (DRMIS). It will explain the various supply accounts/Plants/ Storage Locations (SLOCs) that all Contractors may use and the different types of spares involved.

DRMIS:

Defence Resource Management Information System (DRMIS) provides total asset visibility of all Canadian Forces (CF) materiel, whether it is in use, in stock, or on a repair line. As a fundamental policy, all supply transactions and movement of materiel must be visible and traceable. All transactions for goods movements must be supported by appropriate computer transactions. The Contractors responsibilities related to management of the accounts in DRMIS are explained and outlined below. Contractor NDQAR will assist those Contractors with no DRMIS access and will provide detailed instruction, guidance and training on DRMIS transaction processing and on DRMIS account management to all Contractors.

RMA: (Repairable Material Account) is an account that will be allocated to the Contractor to hold the authorized material for repair that is approved on the contract. The RMA is represented within the system *by* a three Alpha character format followed by a number "1" i.e. "WAL1". There will be two storage locations (SLOC) allocated. One will be a Serviceable storage location and the other will be an Unserviceable Storage Location (SLOC).

CIS (Contract Issue Spares):

CIS are DND-owned materiel issued to repair and overhaul Contractor facilities for incorporation into DND equipment undergoing repair, overhaul and modification. This material is catalogued and is in DND inventory. This inventory will be managed in a Contractor Repair Parts Account (CRPA). Catalogued serviceable spare parts salvaged by the Contractor on NDHQ authority are included. Prior to approval of the CIS being issued to a Contractor the Procurement Authority must ensure

- All spare parts issued to a Contractor as part of CIS are to be catalogued and are visible in the system of record (DRMIS) for National Defence.
- DND stocked inventory is to be used prior to Contractor procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM.
- DND is prepared to accept the scheduled risk consequential to the late delivery of CIS from DND supporting facilities (CFSD).

CRPA (Contractor Repair Parts Account): DRMIS provisioning account (_P) with a Serviceable and an Unserviceable storage location. It records all managed spare parts pre-propositioned within that CRPA Plant /Serviceable Storage Location. The spares are

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located at the Contractor repair facility and are to be used to assist on the repair of the repairable items contracted out for repair. These spares are called Contract Issue Spares (CIS) because they are DND spares issued to the Contractor in order to affect the repair or overhaul of DND equipment.

GFOS (Government Furnished Overhaul Spares)

- Non-catalogued spares that are provided to an R&O Contractor from AAS held by another Contractor;
- A Contractor by the prime manufacturer or a representative holding a contract to provide spares to Contractors engaged in R&O
- A Contractor as a result of procurement action by PSPC (Public Services and Procurement Canada) with the US Government
- Non-catalogued spare parts that are salvaged by the Contractor, on NDHQ or CFQAR authority, from DND materiel undergoing repair, overhaul, re-life or modification.

Refer to the Supply Support Section 8.2.6 for more information on GFOS

AAS (Accountable Advance Spares)

AAS are spares purchased by the Contractor using DND funds, in order to support DND equipment on the repair line. The authority to purchase AAS is granted by a contract that outlines maximum cash levels and the circumstances under which AAS may be purchased. Refer to Section 8.2.7 for more information on AAS.

GFE / GFI:

- **Government Furnished Equipment (GFE)** is DND-owned equipment provided by DND to a Contractor, on a loan agreement, to be used during the contract period and returned in essentially the same condition (subject to fair wear & tear) at the end of the contract. The equipment included in GFE is any equipment used in the production process, such as machine tools, special production tooling, tooling, ground handling equipment, and any other items or equipment that are considered to be in the best interest of DND. Any equipment used in testing process, such as prototypes, sealed samples, models, and any other items or equipment that are considered to be in the best interest of DND. The equipment NOT normally included in GFE is: materiel to be consumed or used in the manufacture or maintenance process, or materiel that will be used for any purpose that would prevent it being returned in substantially the same condition as when loaned, subject to fair wear and tear.
- **Government Furnished Information (GFI)** is any information that DND will provide, on a loan agreement, to the Contractor to enable contract fulfillment. This normally includes items such as DND specifications, NATO (North Atlantic Treaty Organization) codification requirements, and Technical Data Packages (TDP). GFE/GFI clauses will be included in original contract; otherwise a contract amendment will be required. Refer to Section 8.4.1 for more information on the loan of GFE/GFI.

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1.2 EXTENT OF WORK/TYPES OF EQUIPMENT (Information Only)

This Chapter outlines the extent of work and the different types of equipment repair. The Contractor will repair or overhaul only those items for which they have received authorization. This authority is in accordance with the Selection Notice and Priority Summary (SNAPS), Stores Removal Request (SRR), an approved Repairable Materiel Request (RMR) for a Repairable Materiel Account (RMA) or Task Authorization/DND 626.

The different types of DND equipment to be repaired are categorized as either:

- **Selected Equipment.** “A” accountable equipment’s/components that have received authorization for repair or overhaul and appears on the Selection Notice and Priority Summary (SNAPS) for a Repair Materiel Account (RMA).
- **Non Selected Equipment.** “A” Accountable equipment that has received authorization on an approved Repairable Materiel Request (RMR), an approved Stores Removal Request (SRR) or a DND 626 (Task Authorization).
- **Major Equipment.** “M for vehicles” (replace “A” Class) equipment’s which, in themselves, fulfil prime operational functions and which do not lose their identity or become integral parts of other equipment or installations, e.g., ships, tanks, aircraft, engines, etc.
- **Repair of sub-components and accessories.** A component or accessory received as part of the major equipment and having a repair potential, is to be repaired as part of the major equipment by the Contractor without any replacement from the DND. The following are exceptions to this replacement procedure:
 - The component or the accessory is beyond economical repair (BER) and is conditioned as scrap;
 - The contract to repair or overhaul the major equipment does not include the particular component or accessory as part of the contract pricing arrangement;
 - The component is selected to a different repair facility; and
 - The particular component or accessory is categorized as Repairable Reserve (RR) or has been designated surplus to requirements.

When the contract calls for the major equipment to be overhauled, a separate Statement of Work will be required. The Contractor must monitor and ensure that the total costs of the overhaul remains within the approved Maximum Repair Cost (MRC). Any repairable component that is removed for the major equipment that is on the Contractor’s SNAP list will be subject to selected process as per paragraph 1.2.

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1.2.1 Protection of DND Material (Mandatory)

The Contractor must ensure that storage and maintenance facilities provide sufficient protection to DND material to minimize the risk of:

- Unauthorized use;
- Theft or misappropriation;
- The elements including special handling requirements for sensitive and shelf-life items;
- An excess of dust and dirt;
- A possible breach of security; and
- Animal droppings and infestation.

2.0 RECEIPT (Mandatory)

Upon receipt of DND equipment for repair, the Contractor must:

- a. Identify the equipment and ensure they are authorized to repair (SNAPS, RMR,SRR, DND 626, EPM Fax or Email);
 - b. Open a separate work order for each repairable E tracked item. For remaining items, a work order is created, for each line item reflected by the shipping paperwork;
 - c. Carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;
 - d. complete receipt documentation, including any adjustment transactions or work order number;
 - e. Carry out a physical check to ensure that the item is complete according to any Material Authorization Document (MA) checklists provided by NDQAR.
 - f. Action warranty materiel. (If warranty repair required refer to Ch. 9); and
- If item is Major Equipment (M Class), verify the completeness of the equipment against the appropriate check list which can be obtained through NDQAR. The Contractor must contact NDQAR advising that the item has been received for repair and obtain the DND Work Order. The turnaround time will start once the DND Work Order is created. The part will be sent to the Contractor and remain on charge in DRMIS until such a time as it is issued out to the sub-Contractor/OEM. For in country contracts NDQAR will raise the DND work order and issue the parts out of stock to commence the work order process. If the required information is missing or insufficient to proceed with the repair, the Contractor must send an email, notifying the supporting NDQAR.

For those items where the basis of payment is other than firm fixed price, and based upon available information or inspection of the item, the Contractor must determine the extent

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of work required, prepare a cost estimate, and if cost to repair is below the maximum repair cost (MRC), proceed with the repair. Whenever cost to repair threatens to exceed the MRC, the Contractor must request authority using a SNOM (Selection Notice Observation Message) / email to proceed with the repair in accordance with Annex B Contractor Upon receipt of DND “**non-selected**” equipment, the Contractor has no authority to repair and the item should be referred to the Procurement Authority via a (SNOM)/email including all pertinent information. See template for SNOM in Annex B The Contractor, within 5 days after DRMIS receipt must check the completeness of the major equipment against the appropriate check lists and the consignor's issue voucher, and report any discrepancy to the consignor with an information copy to the National Defence Quality Assurance Region (NDQAR) and the Procurement Authority. The Contractor must notify their supporting NDQAR, by email stating the applicable Stock Transport Order/Vehicle Movement Order (QTO/EMO) message, type and model, CFR, serial number(s)/EMR and date of receipt.

2.1 DISCREPANCIES IN SHIPMENTS (Mandatory)

The Contractor must report discrepancies to the NDQAR and they are to contact the consignor. A discrepancy in shipment can consist of any of the following:

- Quantity;
- Serial/Equipment Number;
- Substitute material;
- Improper Packaging;
- Condition.

The Contractor must contact their supporting NDQAR to report and action discrepancies in shipments. If the discrepant item is one of the commodities listed below the supporting NDQAR must be contacted within 24 hours.

Commodity

- Weapons, Ammunition, Explosive Ordnance, Self-Contained Weapons Systems, and Guided Missiles;
- Classified Equipment including Crypto and accountable COMSEC Materiel;
- Deficient Controlled Goods as defined in DAOD 3003-0; and
- Night Vision Devices (NVD).

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2.2 INITIAL INSPECTION OF REPAIRABLE MATERIAL (Mandatory)

Where it is impossible to determine the cost to repair, the Contractor must be granted authority by the Procurement Authority (PA) to strip the equipment so as to assess its repair or overhaul potential and to estimate the costs. Unless otherwise specified, and regardless of the value of the equipment, the cost of the work involved in estimating repair is chargeable to the item whether or not it is subsequently repaired.

3.0 WORK CONTROL (Mandatory)

The Contractor must ensure that the repair of all DND equipment is controlled by an internal serial numbered work order. Upon completion of work, the work order must include as a minimum the following:

- a. a contract serial number against which all costs incurred are chargeable;
- b. the MMR, description, quantity and serial number, if any, of item repaired;
- c. A cross reference to all Supply Documents. This includes receipt, issues and returns, including scrap activity, finalization of repair, inspection, and final acceptance;
- d. reference to the applicable technical data;
- e. details of the work performed;
- f. a list of all the parts, by part number and description, found unserviceable and requiring repair or overhaul, ensuring that the repair scheme is referenced;
- g. a list of parts used in repair, identifying the type of stores from which they were issued (e.g., CIS, GFOS, AAS or CFM);
- h. repair cost estimate; and
- i. The identity of the person opening the work order.

The Contractor must provide to the NDQAR, and as necessary amend, a list of Contractor personnel authorized to open work orders. A work order must be opened for each repairable E tracked item. For remaining items, a work order is created, for each line item reflected by the shipping paperwork.

3.1 COMPLETION OF WORK (Mandatory)

On completion of Repair or Overhaul, the Contractor must notify NDQAR who will transfer the material from unserviceable Storage Location to the serviceable Storage Location.

The following "Contractor Certification" must be stamped on the Supply Document DND 2227 and signed

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Contractor Certification

I certify that the item(s) listed above have been inspected, tested and conform to all specifications and requirements detailed in the contract or purchase order.

Signature _____ Date _____

(Contractor QC)

Once the DND 2227 is signed and stamped on completion of work by the Contractor it is sent to the NDQAR sup tech. The Contractor must keep a copy for audit purposes. An additional copy of the DND2227 (signed and stamp) would be required to be attached with the item in the shipment.

3.2 STOP REPAIR ACTION (Mandatory)

Upon receipt of a PAL (Procurement Authority List) or an updated SNAPS indicating Stop Repair Action the Contractor must action the Repairable as per the Instructions supplied. This will apply to all stoppage of repairs for:

- SRD (Stop Repair Delete-is when an MMR is removed from SNAPS and repair line is closed);
- SRT (Stop Repair Transfer – is when MMR is removed from SNAPS and new repair line is opened; and
- Repairable Reserve (00RR) MMR is not removed from SNAPS and repair line is suspended.

The Contractor must identify all outstanding Work Orders to the PA. If the Contractor is authorized by the PA to finish the repair work against the outstanding Work Orders, he must complete these Work Orders.

If the Contractor is not authorized by the PA to finish the repair work against the outstanding Work Orders, he must close the Work Orders, and return the unserviceable items as per direction on PAL.

In the case that work was authorized and the Contractor was advised to stop, the Contractor will be paid for the work done up to that point.

4.0 ANNUAL REPAIR FORECAST – SNAPS (Mandatory)

The Contractor must notify the PA when the receipt for a selected repairable line item exceeds the current (fiscal) year forecast (CYF) in the SNAPS report. The CYF is the quantity of items the Contractor is authorized to repair from the 1st of April to the 31st Mar. The Contractor must not repair the line item until written approval is received from

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the PA or the SNAPS forecast amended.

The information on the SNAPS plus the R&O contract provides the Contractor with the authority to repair.

NDQAR will distribute the SNAPS for in country repair facilities on a monthly basis. The Contractor will be advised of the selection of a new MMR item or of changes to the current SNAPS by means of a PAL by email.

A MMR annotated with a repair priority code (RPC) “routine” or higher on the SNAPS must to be repaired in accordance with their “Priority” unless otherwise advised. MMRs annotated Repairable Reserve (RR) must not be repaired unless the repair is already in progress. RR items awaiting repairs must be returned to regional depot.

If R&O Contractors need to make observations on information contained in the SNAPS, they must submit their observations to the PA using the Selection Notice Observation Message (SNOM). See 8.6 for reasons to use the SNOM.

The Contractor is responsible for scheduling work. Within these categories, the principle of “First in-First out” (FIFO) must apply. To assist in this scheduling, DND will provide each Contractor with a copy of the SNAPS report that lists the Repair Priority of each item on the selection list. The Repair Priority Codes (RPCs) are as follows:

C: Critical 0 - 3 Months of Serviceable assets available

U: Urgent 3 - 6 Months of Serviceable assets available

R: Routine 6 - 24 Months of Serviceable assets available

P: Pending 24+ Months of Serviceable assets available

5.0 COST CONTROL (Mandatory)

The Contractor must monitor the cost of each repair to ensure that total repair costs remain within approved limits. Appropriate management control procedures must be in place and records maintained. These control procedures and records must be available for review or audit on request.

While undergoing repair, total cost must be monitored to determine whether or not to continue the repair. To ensure better understanding, the following terms must be used when dealing with DND equipment:

- **Cost Control.** The use of management devices in the performance of any necessary operation so that pre-established objectives of quality, quantity and time may be attained at the lowest possible outlay for goods and services. Such devices include a bill of materials, instructions, standard of performance, competent supervision, cost limits on items and operations, studies, interim reports, and decisions based on these reports;
- **Average Repair Cost.** True cost pro-rated over the number of items produced in a time period;
- **True Cost of Repair.** The total cost of repair or overhaul in plant or by subcontract including all labour charges, overhead, and all materiel spares costs, sub-

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contracting and shipping (by spares type with their applicable profit mark-ups or embodiment fees; or

- Maximum Repair Cost (MRC), the MRC is a standard established by DND to guard against the possibility of an item being repaired at a cost that exceeds its replacement value to DND. The MRC is the maximum amount including all labour, sub-contracting and shipping, materiel costs and administration fees that the Contractor or DND repair facility is authorized to spend to repair an item. It is not the cost DND necessarily intends to pay for all repairs.

In circumstances where the final cost of repair will exceed the MRC, Contractor are required to cease repair and report complete details to the PA using the SNOM via email and informing NDQAR. The SNOM/ email will provide full disclosure of all costs where the final cost has exceeded the MRC without prior authorization. DND will not pay costs which exceed the MRC without prior authorization.

6.0 COSTING RECORDS (Mandatory)

The Contractor must prepare forms and maintain records which will provide:

- A cost listing, by serial number if applicable, of each item or job lot going through the repair line;
- A detail of the extent of work carried out, in-process inspections completed and materiel embodied at any stage of the repair process;
- The average cost of repair or overhaul, by MMR; and
- The total repair cost for a MMR, by work order.

This data must be provided as requested by the Procurement Authority and /or NDQAR

6.1 INVOICE / CLAIMS FOR PAYMENT (AAS SPARES) (Mandatory)

The Contractor must submit monthly invoices for AAS, but only after receipt and acceptance of the materiel and inspection IAW the CGCS quality assurance code (QAC) in the event that a certificate of conformance or test data is required.

For purchased AA spare parts, the invoice/claim must be supported by supplier's invoices. For manufactured AA spare parts, invoices must reflect the item price in accordance with the contract. In support of invoices, the Contractor must provide the following information:

- The total value of AAS inventory as last reported, held in support of the Repair and Overhaul work for which this contract was issued (opening inventory);
- The total value of AAS received into inventory during the previous month (receipts), supported by actual invoices;
- The total value of AAS removed from inventory for embodiment or transfer during the previous month (issues);

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- The total value of inventory remaining at month end (closing inventory - book value);
- The total value of outstanding AAS commitments (open purchase orders) against this contract; and
- The balance of uncommitted funds remaining in the contract.

Upon expiration of contract, the Contractor must provide a listing of outstanding purchase orders to the PA with a copy to the NDQAR. Only those purchase orders listed will be accepted for payment. This list of outstanding purchase orders is to identify the supplier, cost and estimated delivery date. The Contractor must deliver the listing to the PA within 30 days of contract expiry.

In the event that the responsibility of repairing and overhauling equipment has been transferred to another Contractor, the new Contractor must not procure AA spare parts until available stocks and usage data have been received from the PA and have been taken into account.

7.0 MAINTENANCE SUPPORT-MINOR REPAIRS (Mandatory)

If DND supplied parts are urgently required to effect delivery of repairable components and are not immediately available from DND, then minor repair may be carried out to the unserviceable part by the Contractor, as approved by the PA who will advise NDQAR accordingly.

7.1 EQUIPMENT TURN AROUND TIME (TAT) (Mandatory)

Unless specifically identified within the contract, equipment Turn-Around-Time (TAT) to a serviceable state must be achieved in 90 Calendar days. TAT is defined as that period of time from "date of receipt to date item is reported serviceable". Repair priority is governed by the SNAPS. The principle of "first-in/first-out" (FIFO) must be observed whenever possible.

7.2 PRIORITY REPAIR REQUEST (PRR) (Mandatory)

A Priority Repair Request (PRR) is a direction to the Contractor to repair an item on a priority basis. These requests originate from NDHQ/Supply Managers (SM) and are communicated to NDQAR by e-mail. The SM forwards the information to the Contractor for action. A sample copy of a PRR format is illustrated in Annex C

On receipt of a PRR, the Contractor is to determine whether DND's Required Delivery Date (RDD) can be met. If not, the Contractor is required to provide to the appropriate Supply Manager at NDHQ and the consignee designated on the PRR format with a realistic Estimated Delivery Date (EDD). The format of the e-mail/fax to be forwarded

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by the Contractor is illustrated in Annex C using the PRR format. Correspondence in response to PRRs is the Contractor responsibility.

Unless otherwise specified in accordance with the contract, overtime may be authorized by applicable PA through the NDQAR. However, overtime will not be authorized to clear any backlog resulting from unsatisfactory Contractor performance.

On completion of repairs or overhaul, NDQAR Contractor will return repairable item. The Contractor must prepare the items for shipment to the consignee as instructed in the PRR. NDQAR/ is to notify PA/SM and LCMM by email of shipping details.

7.3 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs) (Mandatory)

When authorized by the Procurement Authority via a Task Authorization/DND 626, the Contractor must open a work order undertake special investigation and technical studies and must provide relevant data to these investigations as and when required. The scope of work normally covered under special investigation and technical studies is to cater for equipment not meeting fit form and function specification standards or due to repetitive failures. This excludes studies or investigations which have or will have fleet fitment application.

7.4 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES) (Mandatory)

When authorized by the PA, via a Task Authorization/DND 626, the Contractor must undertake technical investigations and engineering studies. This activity includes the provision of system and maintenance support and management services. It includes the requirement analysis and planning to ensure current reliability availability of specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as the development of policies and maintenance procedures. It includes the contract management activities as well as the validation/acceptance of deliverables when maintenance activity is contracted.

7.5 TERMINATION OF CONTRACT (Mandatory)

When an R & O contract is not extended, or cancelled by mutual consent or terminated for convenience or by default, the Procurement Authority will form a Contract close-out Planning Team to: provide the Contractor with instruction for the completion of the work already on the repair line and to provide instruction and to coordinate the transfer of DND-owned equipment. The DQA/R&O staff must be included in the close out team. The following are some of the areas/topics that are considered in the Close-Out Plan:

- Repairable material in the custody of the Contractor;
- Spares in the custody of the Contractor;
- Tooling and test equipment on loan;
- Publications and other documents;

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- Perform 100 %stocktaking;
- Contractor; and
- NDQAR to provide all stock on hand/dues and pending transaction reports.

8.0 SUPPLY SUPPORT/SUSTAINMENT SUPPORT

8.1 TRANSACTION DOCUMENTATION (Mandatory)

The DND 2227 is the supply document used by all Contractors when performing supply related transactions.

The Document Control Group (DCG) facilities must file and retain auditable transaction documentations by applicable Storage location/account either by MMR or by Requisition Number:

Items that cannot be requisitioned through NDQAR because of special circumstances must be submitted to the NDQAR for furtherance to the supply manager. .

When a requisition requires amending or cancelling, the Contractor must notify NDQAR.

8.2 CONTRACTOR SUPPLY ACCOUNTING

8.2.1 RMA (Information Only)When company is awarded a contract for the Repair or Overhaul of DND materiel, a Storage Location (SLOC) Repairable Materiel Account (RMA) code will be allocated to the Contractor and represented within the system *by* a three Alpha SLOC character format followed by a Number “1” i.e. “WAL1”. It will have a Serviceable and Non-Serviceable Storage Location (SLOC). All pre-authorized **repairable** materiel shipped to that Contractor will be identified and documented on the Selection Notice and Priority Summary (SNAPS) for the associated RMA. This is known as “selected” material.

In many circumstances a Contractor will need spare parts from DND. These spare parts are either called Contract Issue Spares (CIS), GFOS or AAS and the contract will specify what spares will be used. To account for the CIS, the Contractor will be allocated a Contractor Repair Parts Account (CRPA). Account structure can be found in Annex D.

8.2.2 CRPA/CIS (Contract Issued Spares) (Information Only)

Contract Issued Spares are DND-owned materiel issued to Contractors exclusively for use on the repair line in support of DND equipment. DND must authorize vendors to use or request CIS when Spare Parts are catalogued, and managed in by DND using a CRPA account.

CIS is also catalogued salvaged parts from R&O activities.

Prior to approval of the CIS being issued to a Contractor the Procurement Authority must ensure:

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- Initial Max and Min levels are to set by DQA R&O (where applicable) on authority of the PA for MMR's held on a CRPA. Subsequent amendments to levels will be actioned by NDQAR/ Contractor upon PA approval,
- DND stocked inventory is to be used prior to Contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM
- DND is prepared to accept the schedule risk consequential to the late delivery of CIS from DND supporting facilities. Deviations to the foregoing may be acceptable in the following circumstances and if authorized by the contract authority:
 - a. Urgent operational requirements may justify the use DND inventory even though the spare part would normally be obtained by the Contractor through other means.
 - b. Safety considerations may require the use of DND inventory.

8.2.3 CONTRACTOR ISSUE SPARES (CIS) MATERIEL RECEIVED OFF CONTRACT/PROCUREMENT (Mandatory)

Receipts of CIS material from a purchase order that was generated by normal spare parts demands or pushed by the Supply Mangers directly to the Contractor, will be performed by the Contractor and supporting NDQAR.

8.2.4 SHORTAGE OF CONTRACT ISSUE SPARES (CIS) (Mandatory)

When DND cannot satisfy a requisition for a consumable (C) MMR CIS, and the lack of this spare has a negative impact on the repair line, the PA may exceptionally authorize the spare to be procured using AAS funding, if available. Sufficient quantities may be procured to satisfy the Contractor's requirement up to the time when DND may again satisfy the requisition (s). Items obtained through AAS funding will be treated as normal AAS. The consumption of the spares obtained through AAS funding will be annotated on the Manual Consumption Work Order Form. In the event that a surplus was purchased because of economic order quantities, the remaining stock will be immediately converted to CIS and brought on charge using the un-forecasted receipt process, cross referencing the original purchase order used to procure the items.

8.2.6 GOVERNMENT FURNISHED OVERHAUL SPARES (GFOS) (As Applicable)

Government Furnished Overhaul Spares (GFOS) are non-catalogued spare parts that are salvaged by the vendor/Contractor, on PA/NDQAR authority, from DND materiel

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undergoing repair, overhaul, re-life or modification. GFOS will be accounted for by the Contractor electronically or a manual stock record system.

GFOS received from external sources and initially entering the system are to be brought on charge by the Contractor through NDQAR with a stock adjustment using the CRPA Serviceable Storage Location. A DND 2227 will support this transaction. The DND 2227 has to be signed and approved prior to processing the transaction

The Contractor is responsible for accounting of the GFOS to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at Annex L for step by step instruction. The Technical authority is responsible to provide all disposal instructions.

The Contractor is to contact supporting NDQAR for assistance

The Contractor establishes a price for the GFOS item. Price will reflect as laid down price in the contract or book value. The Procurement Authority is the final authority on the pricing.

If a GFOS item needs to be repaired so it can be utilized in the repair of a main catalogued item (repairable), a work order must be opened against the main catalogued item, and all catalogued components will be issued into this work order thus ensuring the cost of the GFOS repair will be charged against the repair of the main catalogued item.

The Contractor is responsible for maintaining stock records for both repairable and serviceable GFOS. The Contractor must not establish the re-provisioning levels. GFOS stock will be reduced to the lowest level possible.

There is a continuing need to guard against the build-up of catalogued materiel in GFOS inventory. The Contractor must establish and maintain a stock control (inventory control) section for GFOS.

All catalogued MMRs found in GFOS stores, which then becomes CIS must be brought on charge to the CRPA with a DND 2227 to support the transaction.

It is possible to have the same line items in both GFOS and AAS stores so the Contractor will ensure that serviceable GFOS are used first and the records are cross referenced.

The Contractor must determine which items of GFOS are no longer fit for use by DND. Examples of such material are:

- Batch considered contaminated;
- Items rendered unusable because of corrosion attributable to factors beyond the control of the Contractor or Complete inability to establish serviceability at a viable cost, etc.;
- Or items that fail to meet the quality assurance standards;
- Material unfit for use because of unserviceable conditions; and
- Shelf life expired.

For these items listed above the Contractor must remove these items from stock and prepare a DND 2227 to correct their stock record accordingly.

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8.2.7 ACCOUNTABLE ADVANCE SPARES (AAS) (Mandatory)

AAS are spares purchased by the Contractor using DND funds, in order to support DND equipment on the repair line. The authority to purchase AAS is approved by the PA the contract will outline the maximum cash levels and the circumstances under which AAS may be purchased.

The purpose of the AAS is to ensure the repair of DND materiel is not jeopardized by a lack of spare parts.

The circumstances under which AAS may be purchased are:

- One time procurement;
- Only to be used to repair something that is on the repair line; and
- An un-forecasted part that is not available from DND, due to a lead time over 12 months or is not stocked in DND is required in order to meet the repair turnaround time as stated in the contract.

The Contractor is responsible for accounting of the AAS to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at Annex R for step by step instruction.

The Contractor must order AA spare parts only during the period covered by this contract. The Contractor must be responsible for establishing provisioning of AAS based on, but not limited to:

- repair forecasts;
- estimated and actual consumption;
- the manufacturer's list of recommended spares;
- the supplier's lead time; and
- Economic order quantities.

DND will neither pay costs nor embodiment fees for AAS which are obsolete or surplus as a result of inadequate Contractor materiel management (i.e., AAS purchased in excess of requirements, AAS purchased which do not meet the limitations of the contract, etc.)

AAS transferred between repair facilities on the approval of EPM will be brought on charge (if catalogued) or reported on the GFOS inventory list (if not catalogued) There is a continuing need to guard against the build-up of catalogued materiel in AAS inventory. The Contractor must establish and maintain a stock control (inventory control) section for AAS.

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All catalogued spares, MMRs found in AAS stores except those spares procured as per 8.2.4, must be brought on CRPA warehouse charge with a stock adjustment. The Contractor must provide the NDQAR with the full details on why a MMR (SC) spare was held in AAS stores.

8.3 MANAGEMENT OF DND-OWNED SPARES

8.3.1 Spares Priority (Mandatory)

Spares must be used in the following order or as specified in the contract:

- Government Furnished Overhaul Spares (GFOS);
- Contract Issue Spares (CIS);
- Accountable Advance Spares (AAS); and
- Contractor Furnished Materiel (CFM).

8.4 SPARES REVIEW (Mandatory)

In conjunction with the two year stocktaking schedule, the Contractor must carry out a review of CIS, AAS (must be done on a yearly basis), and GFOS to determine if holdings of any particular item:

- Exceed the economic stock retention level. The level is normally equal to an estimated four (4) months stock;
- Have become surplus to requirements as a result of a modification, disposal, obsolescent or transfer of the major equipment;
- Are no longer fit for use in the R&O of DND equipment;
- If AAS/GFOS is catalogued then transfer to CIS.

The Contractor is responsible for accounting of the spares to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at Annex R for step by step instruction.

The Contractor must ensure that there is a continuing safeguard against the build-up of AAS inventory, in accordance with 8.2.7, to determine if stock holdings include any item which:

- Has become surplus to requirement as a result of removal of the end item from the SNAPS;
- Has become redundant because of modification, change notice, product improvement etc.;
- Is held in excess of usage requirements; or
- Is a catalogued item which should have been transferred to CIS?

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8.5 STOCKTAKING (Mandatory)

The procurement authority working with the supporting NDQAR must initiate and have the Contractor carry out a one hundred per cent (100%) manual stocktaking of in country RMAs, CRPAs(CIS), GFOS, AAS and Loan Accounts as a minimum once every two years in accordance with this Chapter . The PA will be responsible to monitor all stocktaking activity for in RMAs working with NDQAR for in country RMAs and OCRS in both depots for out of country RMAs. In the event of discrepancies between the DRMIS and the Contractor's records, DRMIS is the source record. DGMSSC is responsible for conducting random stock verifications of DND owned materiel and equipment as part of its mandate and in support of OAG audits. In order to carry out these stock verifications the Contractor must provide DGMSSC personnel with access to the DND owned materiel and equipment being held.

8.5.1 The stocktaking process consists of (Information Only):

- Verifying stock integrity. This is measured by comparing DND Owned material held under the Contractor's responsibility with all records and documentation;
- Adjusting the associated records or documents according to the materiel held;
- Investigating discrepancies; and, if required,
- Action write-off reports in conjunction with Loans and NDQAR sections.

8.5.2 The Contractor is responsible for must (Mandatory):

- Any discrepancies in stockholdings versus stock records;
- Initiating and completing stocktaking IAW the stocktaking plan;
- Note: Some repairable items, because of their material types will require stocktaking on a more frequent basis. (Refer to Annex E - Stocktaking Security Requirements for material types);
- Contacting the NDQAR to adjust stock records ensuring that the quantity on stock records is reconciled with the quantity on hand;
- Investigating discrepancies as requested by NDQAR;
- Conducting adhoc stocktaking upon DND's request;
- Verifying serial numbers; and
- Holding all transactions from the cut-off date until completion of the stocktaking. Local co-ordination will be required to ensure which transactions were not processed by the cut-off date because of mail delays, machine downtime, etc. in order for them to include these transactions when doing the stocktaking and reconciliation.

The supporting NDQAR will assist in the stocktaking process for Contractor facilities.

8.5.3 Adhoc Stocktaking (Mandatory)

The Contractor must initiate an adhoc stocktaking no later than 48 hours after a discrepancy is found or reported, or is suspected either for a single or a range of MMRs or part numbers. The Contractor must investigate discrepancies identified by the

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NDQAR or the Out-of-Country Repair Section (OCRS), and if such discrepancies are not resolved, submit a supply document to adjust the Contractor's DND records. DND will determine the action to be taken to either report surpluses or deficiencies using a write-off report, or request reimbursement from the Contractor for shortages, depending on the circumstances.

In instances where the stocktaking indicates that the Contractor's inventory management system is inadequate, DND will request that improvements be implemented. Failure to rectify these problems over a period of time may result in cancellation of the contract with cause.

The contract authority will receive all DND requests for financial recovery or other action against the Contractor.

8.5.4 Stocktaking Plan (Mandatory)

No later than 2 months after contract award and every year thereafter, on or before the first of March, the Contractor must prepare and submit to the PA and the NDQAR/OCRS, a two-year stocktaking plan. The stocktaking plan will provide information on the Contractor's planned stocktaking schedule for the next two year period, calculated from the time responsibility of DND Owned material has been assumed. The Contractor will ensure that 100% of the DND Owned material is planned to undergo stocktaking at least one time during this two year period or more frequently as dictated at Annex E. The Stocktaking Plan template is attached Annex F.

The Contractor must provide a copy of the Stocktaking Plan to the Procurement Authority and the NDQAR for review and concurrence. The Contractor will not initiate any 100% stocktaking unless PA approval has been given. Once the approval has been given NDQAR must provide further directions on using the applicable reports to provide visibility of material into Work Orders.

Changes to the stocktaking plan must be submitted to the PA, through the NDQAR, for approval.

8.5.5 Scheduled Stocktaking Notice (Mandatory)

Two weeks prior to the planned stocktaking start date, the Contractor will send a Stocktaking Notice to the NDQAR/OCRS, advising of the scheduled stocktaking. The Stocktaking Notice will also direct the NDQAR to produce Count Sheets for the materiel maintained and held in the (serviceable and unserviceable storage locations) for the RMA, CRPA and, Loan storage location.

The Stocktaking Notice submitted to the NDQAR must include the following:

- Storage location (Serviceable or unserviceable);
- Date the first stock count will be completed; (should be 15 days , refer to 8.5.7) and
- Range of MMRs to be counted.

If the materiel is not on charge (GFOS or AAS) the Contractor must also include the following details with the Stocktaking Notice:

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- Date information extracted;
- Account Type (GFOS, AAS, Loans);
- MMR;
- Part Number;
- Description;
- Unit of Issue;
- Unit Price;
- Qty. (held in Contractor accounting system);
- Inventory Category Code;
- Location; and
- Serial Number if directed by NDQAR/OCRS.

Stock movements and stock transactions that could affect computer or manual record balances will be stopped or reduced to the minimum from the time the count sheets are produced by DRMIS until the count sheets are populated and confirmed; or any other system used by the Contractor to manage its inventory. If during the stocktaking, stock transactions that affect computer or manual record balances cannot be stopped, the Contractor is required to keep track of all transactions on a separate register.

8.5.6 COUNT SHEETS (Mandatory)

One day prior to the start date reported on the Stocktaking Notice the Contractor must receive count sheets from the NDQAR for inventory recorded in DND records

For GFOS and AAS (inventory not recorded in DND) the Contractor must produce count sheets using their own system. The Contractor must provide a copy of the count sheets to the NDQAR. The count sheets will, as a minimum, contain the following

- MMR or/and Part Number;
- Description;
- Stock location;
- Condition / Status recorded; and
- Qty. counted (to be filled-out on materiel count).

8.5.7 STOCK COUNT (Mandatory)

The Contractor must proceed to carry out the first stock count of all materiel and report quantity on first count sheets within fifteen days. Materiel found not listed on the count sheets will be identified and reported on a separate count sheet.

The Contractor must submit a copy of each completed first stock count sheets to NDQAR. Refer to Annex G for count sheet template.

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8.5.8 REPORT AND RESOLVE STOCKTAKING DISCREPANCIES

8.5.8.1 For inventory recorded in DRMIS (Mandatory)

The NDQAR is responsible for entering the stocktaking counts into the system of record. They must confirm all the counts, in accordance with the count sheets. For discrepancies, the NDQAR must submit to the Contractor a list of all MMRs and identify the materiel requiring a second count. If necessary, this process can be repeated for a third count which is physically performed by NDQAR at the Contractor's location(s).

8.5.8.2 Third Count Investigations (Mandatory)

For in country Contractors the investigation may include an onsite visit from the supporting NDQAR to review supply related Contractor records and carry out physical stock checks.

8.5.8.3 For inventory not recorded in DRMIS (Mandatory)

The Contractor will compare the count results with the actual quantities recorded in the Contractor's local system, immediately adjust their records and forward to the NDQAR on a Stock Discrepancy Report. The NDQAR will notify the latter to proceed in identifying the materiel that will require a second count.

The Contractor must:

- Provide an explanation/justification for each discrepancy;
- List referenced documents, referenced computer transactions, corrective actions taken and, where possible, the reasons for surpluses or deficiencies;
- Adjust, when possible, computer balances or inventory control cards when the discrepancy is the result of an error that can be corrected locally; and
- Prepare a Supply Document when a stock balance will require adjustment for approval by the NDQAR/OCRS.

Once all investigations have been completed for each discrepancy found at the first count, the Contractor will submit to the NDQAR, a Stocktaking Investigation Report within one month. The report must contain the following information:

- Inventory materiel type;
- MMR / Part Number;
- Description;
- Unit price (Use average price method for AAS);
- Stock balance before stocktaking (First Count);
- Stock quantity counted (First Count);
- Stock Quantity Adjusted;
- Stock balance after adjustment;
- Stock balance before (Second count);
- Stock counted (Second count);
- Stock quantity adjusted (if required); and
- Corrective actions, reference transaction and justification.

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Prices for deficiencies and surpluses must be entered and extended. Netting is not authorized.

The Contractor will prepare a Stocktaking Summary Report for each account type (see Annex N).

NDQAR on behalf of the Contractor will submit the original copy of the Write-off Report CF 152 and the Stocktaking Summary Report to the R&O Support cell for vetting prior to R&O Support cell forwarding to PA.

8.5.9 AAS AND GFOS STOCKTAKING (Mandatory)

Contractors and their sub-Contractors must use the following procedures for AAS and GFOS stocktaking:

- Post all transactions to the Inventory Control Card (Non-Catalogued) (ICC) prior to stocktaking as per Annex L;
- List the part number and description of each line item on the count sheets normally used. The quantity on the ICCs will not be transcribed to the count sheet at this time;
- Ensure issues from stock are not discontinued unless it is essential to do so;
- Quarantine all receipts of spares and suspend posting action for a maximum period of four working days from the time of receipt;
- Conduct a physical count and show the quantity counted in one column of the count sheets. The person counting the stock will add to the list items found in stock for which there is no entry on the count sheets;
- Enter the quantity on the ICC's the appropriate column of the count sheets after the physical count takes place;
- Check for issues, receipts, etc., when quantities do not agree. Re-count the items if quantities still do not agree;
- Compare the quantity shown as "actual count" and the quantity on stock records and the discrepancies indicated on Form CF 152;
- Forward the CF 152 and any adjusting vouchers to the NDQAR under a covering letter;
- Identify surplus and obsolete items for disposal, in accordance with the contract; and
- Ensure that items with a MMR are identified for transfer to the CRPA warehouse.

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8.5.10 VERIFICATION/STOCKTAKING OF CONTROLLED EQUIPMENT (Mandatory)

The Contractor must conduct a physical verification/stocktaking of all controlled equipment:

A. Semi-annually:

- Classified Equipment – Stock Classification “E” e.g. Vehicles, Night Vision goggles, GPS, Radios etc. and IM Advisory Code “1P” (item is Classified); and
- Classified Cryptographic Equipment – ST “E” and IM Advisory Code “1Q” (Classified Crypto Materiel).

B. Quarterly:

- Small Arms (SA) – Stock Classification “E” and NSG “10” and “99”; and
- Self-Contained Weapon Systems – ST “A” and NSG “13” & “14”.

The Contractor must submit an itemized listing of all controlled equipment to the Procurement Authority within Forty five (45) calendar days of completion of the Stocktaking/Verification. The Contractor must provide an info copy to NDQAR at the same time.

Upon a discrepancy being found with controlled equipment, the Contractor must notify the supporting NDQAR immediately.

8.5.11 WRITE OFF REPORT- CF 152 (Mandatory)

For in country contracts, NDQAR on behalf of the Contractor will perform all adjustment transactions, then raise and submit the original copy of the CF 152 including the Stocktaking Summary Report to the R&O Support cell for vetting and furtherance to applicable EPMs. The NDQAR will include a covering letter with their submission.

8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM) (Mandatory)

8.6.1 The SNOM must be used by the Contractors to report any observation for:

- MRC exceeded on SNAPS;
- Forecast exceeded /suspended on SNAPS;
- Item under repair found Beyond Economical Repair (BER); and
- MMRs received at the repair Contractor that is not authorized for repair:
 - not selected on SNAPS;
 - without an RMR; or
 - Without a tasking authorization.

In-country Contractors submit their observations to the appropriate supply manager Refer to Annex D for SNOM template. It is understood that a SNOM can be an email with all the pertinent information enclosed.

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8.7 LOSS OR DAMAGE TO DND MATERIEL (Mandatory)

The Contractor must report to the NDQAR all instances of loss or damage to DND owned materiel in his custody within two (2) working days of confirmation of its discovery. If the discrepant item is one of the commodities listed below the supporting NDQAR must be contacted immediately. The supporting NDQAR will then take immediate reporting action.

Controlled Goods/CTAT (Controlled Technology Access Transfer) include:

- Weapons, Ammunition, Explosive Ordnance, Self-Contained Weapons Systems, and Guided Missiles;
- Classified Equipment including Crypto and accountable COMSEC Materiel;
- Deficient Controlled Goods as defined in DAOD 3003-0; and
- Night Vision Devices (NVD).

The Contractor may be authorized to make repairs to DND-owned equipment on loan. All requests must be forwarded to the Procurement Authority for approval. If the Contractor is authorized to repair damaged DND materiel, he must notify the NDQAR before any repair commences to enable adequate quality assurance of the repair.

8.8 SCRAP - CUSTODY & DISPOSAL (Mandatory)

The Contractor must safeguard, control, and dispose of the scrap materiel in accordance with Part 1 Chapter 6.2 of Supply Administration Manual A-LM-007-100/AG-001 which can be obtained through the NDQAR.

See Disposal Model Annex R for step by step instruction in conjunction with the above publications.

Disposal of Scrap or waste materiel resulting from PSPC cost reimbursable contracts.

Contractors are responsible to the local NDQAR for the safeguard, control and disposal of scrap and waste materiel generated by or resulting from their operation of PSPC contracts. The Contractors are also responsible for all sub-Contractors or suppliers whose operations will result in scrap and/or waste materiel.

Authority to Sell Contractors, sub-Contractors and suppliers are authorized by the PA Whole or partial components, assemblies, castings or forgings which may become

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surplus due to overrun, design or specification changes or rejection on inspection are to be reported to the PA.

Scrap and Waste Materiel resulting from overhaul and repair contracts covering reconditioning, refitting, modification, change of design or specification or reduction to spares of miscellaneous equipment and certified as "Scrap" by a DND Technical Representative or a Technical Inspector of the Contractor approved by DND will be disposed of by the Contractor as noted above.

Major items or equipment such as airframe components, engines, boats, tools, jigs, fixtures, etc. are not subject to this procedure.

8.9 PACKAGING (Mandatory)

8.9.1 The Contractor must comply with the packaging instruction detailed in D-LM-008-001/SF001 Method of Packaging, which include:

1. Method of packaging;
2. Level of packaging detailed and the use of Reusable Container; and
3. Quality assurance.

The Contractor must pack each item individually. The Contractor must mark each individual package and intermediate container in accordance with the specification for marking for storage and shipment detailed in D-LM-008-002/SF-001 Specification for marking for storage and shipment.

8.10 REUSABLE CONTAINER (Mandatory)

Methods of testing and quality assurance provisions will be specified in D-LM-008-001/SF-001. Marking must be in accordance with the following and are to be applying to all individual Pack and intermediate container:

- PSPC Contract Number;
- DND Work Order (for individual Pack only).
- DND Purchase Order;
- MMR/Stock Code;
- Description;
- Manufacturer's Part number;
- Unit of measure and Qty. per pack or per intermediate containers;
- Serial Number(s);
- EMR (if applicable);
- Repair or Overhaul date;
- Method and Level of protection;
- Reusable container (If applicable);
- Dangerous good Marking (if applicable);
- Special marking for Nature of item (If applicable); and
- Handling and Special Shipping instruction (If applicable).

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Individual Reusable containers must be used and provided as per directed in this contract. The Contractor must inspect, repair or repaint reusable container.

Before application of required markings on reusable container, the Contractor must remove all non-applicable markings.

The Contractor must preserve, package and mark all CIS, AAS, GFOS IAW D-LM-008-036/SF-000. They must remain packed with a Reusable container where provided.

Methods of testing and quality assurance provisions will be as specified in D-LM-008-001/ SF-001.

8.11 TRANSPORTATION/SHIPMENT IDENTIFICATION/MODE OF SHIPMENT/LOSS OR DAMAGE IN TRANSIT/ GENERAL CLAIMS PROCEDURES (Mandatory)

8.11.1 SHIPMENT IDENTIFICATION

If Contractors are required to return equipment back to DND, they must follow the terms and conditions of the contract in place. When it comes to transportation of R&O from the Contractor, two terms are used in the contract to establish responsibilities. Uniform Commercial Codes (UCC) Free on Board (FOB) Plant or Incoterms 2000/2010 Free Carrier (FCA, insert named place of delivery). In either case, the Contractor must contact the appropriate Inbound Logistics (IL) (ILEA Germany, ILUK England, ILQA Montreal, ILAA Halifax, ILCA Toronto and ILHQ Ottawa) for transportation and customs clearance as required. The contract will specify which IL the Contractor must be contacted

• SHIPMENT IDENTIFICATION

The Contractor is responsible for the preparation of the shipment, while the appropriate IL is responsible for the preparation of the shipping documentation:

- Consignment Authorization and Receipt Form (CARF) Refer to A-LM-158-004/AG-001 for sample;
- Waybill Straight Bill of Lading (WSBL) Refer to A-LM-158-004/AG-001 for sample; and
- Shipping Label - Refer to A-LM-158-004/AG-001 for sample.

The completed documentation will then be forwarded to the Contractor. A copy of the CARF and WSBL will be given to the carrier and a copy of the label will be attached to the item being shipped.

8.11.2 MODE OF SHIPMENT

When the contract stipulates FOB Point or FCA, the Contractor must call or email the proper IL with all the information pertaining to the shipment for direction on the carrier to be used. At no time is the Contractor to select or change the carrier stipulated on the WSBL provided by the Transportation Agent (TA).

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8.11.3 LOSS OR DAMAGE IN TRANSIT (Mandatory)

Depending on the type of contract being used Duty Delivery Paid (DDP) or used Duty Delivery Unpaid (DDU), the Contractor is responsible for all shipping related activities including claims procedures for loss or damages.

If the contract is FCA, then the DND is responsible for all shipping related activities including claims procedures for loss or damages in accordance with Chapter 12 of the A-LM-158-004/AG-001.

8.11.4 GENERAL CLAIMS PROCEDURES (Mandatory)

All shipments must be checked carefully for discrepancies against the shipping documents both at the time of shipment and on receipt.

Claims and tracing action for loss or damage must be made against the carrier without delay. Claims must be processed in a manner that will support any legal action thought necessary by NDHQ /D Law/C. The TA must undertake an investigation with the responsible carrier(s) in all cases of in transit loss or damage of DND materiel.

The consignor, or the consignee (Contractor) when applicable, is responsible for:

- investigating the discrepancy through the NDQA;
- evaluating and pricing the loss or damage in accordance with supply instructions and providing the appropriate TA with the correct documentation; and
- Finalizing the discrepancy IAW A-LM-007-100/AG-001 Supply Administration Manual.

The DTA, or OTA when applicable, is responsible for:

- notifying the carrier of loss or damage;
- initiating tracing action;
- investigating the loss or damage with the carrier; and
- Initiating the claim against the carrier.

The appropriate comptroller/accounting officer is responsible for:

- local recovery from carriers for loss or damage; and
- Referral of unsettled claims to NDHQ in accordance with financial instructions.

NOTE: RESPONSIBILITIES CONCERNING LOSS OR DAMAGE MUST BE ASSUMED BY THE CONSIGNOR OR CONSIGNEE AS APPLICABLE FOR DND SHIPMENTS WHERE AN OTA OR DTA HAS NOT BEEN INVOLVED.

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8.11.5 DOCUMENTATION AND RECORDS

Contractors must maintain records of all shipments. A Transportation Control Number (TCN) located on the CARF and WSBL will be issued for each shipment by the appropriate IL.

SAMPLE LOSS/DAMAGE REPORT can be found in:

A-LM-158-004/AG-001 Chapter 12 Annex B12, page 12B-1

SAMPLE LETTER OF A NOTICE OF INTENT TO CLAIM can be found in:

A-LM-158-004/AG-001 Chapter 12 Annex C12, page 12C-1

8.11.6 Customs Clearance

DND is responsible for clearing Customs of all DND materiel consigned to R&O s.

9.0 WARRANTY CONSIDERATION (Mandatory)

This part establishes the procedures to be followed by a Contractor upon receipt of equipment or materiel returned by DND for warranty consideration as a result of being repaired. If equipment or materiel is returned in error to the wrong Contractor, the Contractor will quarantine the equipment or materiel and advise EPMs by message giving all pertinent data (through the NDQAR/PA).

Normally, equipment or materiel returned by DND for warranty consideration is forwarded in an unserviceable condition as a result of an Unsatisfactory Condition Report (UCR) or a Pre-Installation Failure (PIF). Equipment returned need not be the result of a UCR or PIF. However, some form of unserviceable report, i.e., message/letter must accompany the equipment. If a report is not received, the Contractor will quarantine the equipment and hasten the consignee for the report. If no response is received within five days, the Contractor will request guidance from the NDQAR/PA.

The intent in returning equipment or materiel for warranty consideration is to have the item(s) repaired at no cost to DND or to seek a method of correcting a fault that could cause failure to similar equipment or materiel.

As warranty problems will differ with each Contractor and with each category or type of equipment or materiel, the Warranty Review Board (WRB) will have to become entirely familiar with the various contractual obligations covering the type of equipment or materiel involved. Regarding equipment that was repaired, overhauled or modified by the Contractor, the following terms will apply:

- Warranty of twelve months will apply to all equipment or materiel in accordance with applicable General Conditions of the contract, unless otherwise stated in the terms of the contract;
- If the failure occurs after the warranty period has elapsed from the date of acceptance of said equipment or materiel by DND, normal repair or overhaul procedures will apply. This provision applies regardless of whether the materiel has been in stock or has been in use during the specified time limits of the

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warranty, unless the warranty specifies other standards, i.e., 12 months from installation.

9.1 WARRANTY REVIEW BOARD (Mandatory)

Each time an item is received by the Contractor for warranty consideration and there is a dispute as to responsibility, a WRB will be established and will consist of at least the following:

- Applicable NDQAR/PA;
- Contractor's quality control manager or delegated representative; and
- Contractor's project manager for R&O contracts or delegated representative.

9.2 LIABILITY (Mandatory)

Determination of the financial responsibility or liability is a function of the WRB as follows:

The Contractor accepts full responsibility for costs to repair or overhaul under the warranty provision of the contract; or

1. DND accepts full responsibility for all costs to repair or overhaul; or
2. The Contractor and DND agree to share responsibility for the costs to repair or overhaul the unserviceable equipment or materiel.

When the WRB cannot agree, the repair or overhaul is not to be delayed. The Contractor will be requested, by the PA, to carry out the necessary work and costs that are to be segregated and charged to a suspense account by arrangement with the contract authority. Such costs can be properly identified, and to ensure that they are not improperly claimed by the Contractor pending determination of the liability. The Contractor is to consult with the contract authority, and the NDQAR will refer the matter to EPMs/EPs and include pertinent data and recommendations.

9.3 ACCOUNTING

Upon receipt of equipment or materiel for warranty consideration, the Contractor must raise a work order containing the usual information and the following:

- The serial number of the item; and
- The following clause stamped or typed on all copies of the work order.

This item must be inspected and dismantled to determine the liability for repair under warranty. Pending a decision regarding liability from the WRB, all costs must be segregated into a suspense account in accordance with arrangements approved by the contract authority. If the Contractor accepts responsibility under the warranty provisions of the contract, the work order is to be annotated 'Costs recovered under the warranty provisions applicable to contract serial number'.

When the Contractor accepts full responsibility for costs to repair or overhaul under the warranty provision of the contract, the work order should be annotated accordingly.

If the WRB decides that DND will bear all repair or overhaul costs, the original work

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order is to be amended by the Contractor and submitted to the PA for approval through their supporting NDQAR. The work order will include the contract serial number against which costs will be charged; and a description of the work to be undertaken

If the WRB decides that repair or overhaul is to be carried out on a cost-sharing basis, the original work order will be amended by the Contractor and submitted to the PA for approval through their supporting NDQAR. The amended work order will include the following information:

- Contract serial number against which costs will be charged;
- A description of the work to be undertaken;
- The cost-sharing arrangements; and
- The following phrase “after investigation, partial costs as determined by the contracting officer and the Contractor”.

If the WRB cannot agree on financial liability, the original work order will be amended by the Contractor and submitted to the PA for approval through their supporting NDQAR. In this case only, the following statement is to be annotated on the amended work order:

“DND and the Contractor cannot agree on the warranty liability. Work is not to be delayed pending final decision.”

Costs of repair or overhaul will be paid by DND and subject to negotiations between the Contractor and the Crown.

DOCUMENTATION: The Contractor will maintain a record of each warranty consideration.

10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS (Mandatory)

The Contractor must not use DND publications, tools, test-equipment, or jigs and fixtures for commercial work without the written consent of DND. In instances where DND has provided such consent, the contract authority will negotiate suitable compensation for DND. All requests must be directed to the Procurement Authority through the contract authority.

11.0 PUBLICATIONS (Mandatory)

The Contractor must document requirements for publications and submit to the PA. The Contractor must develop procedures to control all DND publications in their possession and be responsible for amending all DND publications in his custody. The Record of amendments must be maintained as indicated in the applicable area of each publication.

Unless otherwise specified, publications may be copied or have extracts taken from them. As these copies/extracts are not subject to follow-up amendment action, they are not valid for use as a reference document and must be stamped "FOR INFORMATION ONLY". Contractors must ensure that any classified documents are provided with the appropriate security, consistent with the provisions of A-SJ-100-001/AS-000.

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The Contractor must respond to any request for "verification of publication holdings" which may be requested periodically by DND. DND will, upon request from the contractor, supply the necessary forms and certain stationery. However, because of the limited use of certain forms, it is neither practical nor economical to provision for and stock all forms. Therefore, where appropriate, forms are to be reproduced locally by the contractors.

Publications and forms provided to contractors will be issued, without charge, by DND.

11.1 AVAILABILITY OF PUBLICATIONS

Upon the selection of work, the contractor will provide the PA with a list of all DND publications obtained from the contract authority prior to signing the contract. The contractor must request assistance from the PA in determining additional requirements in the CFSS Procedures (based upon current holdings and contract requirements), DND specifications, pamphlets, technical orders, drawings, etc. The contractor will request the required publications from the PA in accordance with paragraph 7. It is customary, on transfer of work from one contractor to another, to include the pertinent publications as part of and DND-owned materiel or equipment being transferred. Transfer of responsibility for the control of the publications may also be required at that time.

The factors to be considered in preparing a list of required publications are:

Estimated use;

Plant location;

Possibility of sharing publications;

Possibility of obtaining information via telephone form a central data or information center;

Possibility of satisfying requirements by limited distribution only.

The contractor will request publications in writing from the PA, and once the request is approved, will raise a Supply Document DND 2227. Contractors will acknowledge receipt of publications by signing the accompanying documents. Attached is the link for the loan of publications to a contractor:

[\\Dcs-ls2-pv03789\mat-rki\\$\SRV-Apps\0_DGMSSC-DGSMCA\Qualiware\EP_54_Issue GFI_Publication_etc_to_a_Loan.html](\\Dcs-ls2-pv03789\mat-rki$\SRV-Apps\0_DGMSSC-DGSMCA\Qualiware\EP_54_Issue GFI_Publication_etc_to_a_Loan.html)

11.2 DISPOSAL OF PUBLICATIONS

When a publication is no longer needed, the contractor will request disposal instructions from the PA and take action as directed. In cases where the publication is returned to stock or transferred to another user, the contractor is to ensure that all the amendments are included or that a deficiency listing (and explanations) accompanies the publication(s).

Forms that have been superseded or cancelled and DND have ordered destroyed, are to be disposed of by the contractor. No certification is necessary and, since the forms are not on charge, there is no requirement to raise disposal vouchers.

Unused current forms and stationery considered surplus to requirements are to be returned to the issuing agency.

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DND office supplies such as DND stamps, seals, labels, markings, etc. If they are surplus to requirements, they are to be returned to the issuing agency.

12.0 OFFICE SERVICES (Mandatory)

The Contractor must perform the secretarial and clerical work necessary to carry out the terms of this contract with respect to the preparation, filing and transmission of all forms, reports and correspondence, relating to the movement, accounting, storage, repair, overhaul, quality control and investigation of materiel covered by this contract. The provision of these office services must be deemed to be work as defined in PSPC clause (1) of 2035 General Conditions – Higher Complexity – Services.

13.0 MINUTES OF MEETINGS (Mandatory)

When minutes of meetings are required, the Contractor must be responsible for taking them and preparing them in a format approved by the Procurement Authority. The Contractor must submit the minutes to the contract authority or the Procurement Authority as directed at the meeting, within ten (10) working days following the meeting.

14.0 PLANT SHUTDOWN/VACATION PERIOD (Mandatory)

During plant shutdown and /or vacation periods, the Contractor must ensure that adequate facilities/personnel are available to ensure the satisfaction of High Priority Requirements (HPRs). If Contractor personnel are not on site during shutdown, a list of names and home phone numbers of those Contractor personnel to be contacted during plant closure must be provided to the NDQAR. It is the Contractor's responsibility to ensure that personnel are available to satisfy PRR requirements once identified.

15.0 REPORTS (Mandatory)

15.1 MATERIAL MANAGEMENT REPORTS (Information Only)

The following reports are available from the supporting NDQAR:

Material sent to R&O Contractor: This report will show all work orders that have been actioned against a MMR against Plant/SLOC;

- **SNAPS:** This report shows all MMRs authorized for repair within a Plant/SLOC with reference to a specific contract;
- **ZEMM_RO_MANAGED: List of Materials-Material R&O / Forecast:** When a repairable MMR is selected in ZEMM_RO_Managed, the repair procedure will allow the unserviceable materiel to be shipped without delay to the selected repair facility. The repair procedure applies to all MMRs selected to 3rd line Contractors or DND facilities and 2nd line Regional Maintenance Facilities (RMF). When an

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- item is selected for repair, the forecast arising report allows the facility to plan for the repair by acquiring spare parts, test equipment and skilled labour to be available to meet the work forecasted by DND;
- **ZEIWBK Display Material Availability List:** This report has a view of all Work Orders opened against a MMR;
 - **MMBE: Stock Overview: Company Code/ Plant/ Storage Location/ Batch:** This is a query that can be used to view all Stock on hand;
 - **MM03: Display Material (Initial Screen):** This query can be used to view all management data against a MMR; and
 - **ZSUP_STRIP:** Supply Strip Report: This query can be used to view all Stock on Hand for an entire MRP area.

15.2 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS (Mandatory)

Technical Investigations and Engineering Studies may only be authorized by the Procurement Authority. The Contractor must complete a Technical Investigation Report as stipulated under a DND 626 on an as required basis when so directed.

15.3 ANNUAL DND OWNED INVENTORY REPORT (Mandatory)

The Contractor must report annually to the PA on the value of all non-catalogued Accountable Advance Spares (AAS) and Government Furnished Overhaul Spares (GFOS) inventory held on March 31. Annex H will provide reporting requirements.

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ANNEX A SNAPS (Selection Notice and Priority Summary) Report

The SNAPS is a report found in the DRMIS BI Portal application and is designed to show all MMRs which are selected for repair to that RMA/SLOC, the Maximum Repair Cost (MRC) and the 24-month forecast of arising's. The information on the SNAPS plus the R&O contract provides the contractor with the authority to repair.

SNAPS

First Row

Contract	Contract Description	Contract Item	Material Number	Plant	MRP controller	Storage Location	Acct. Assgn Category	Maximum Repair Cost
4600002392	FY 12/13 BUFFALO CC 2182ZZ	34	00-0202564:NSN DOOR,ACCESS,AIRCRAFT	1000	ADM (Mat) 001	Default MRP Ctrl 006C	RMA SBC1 NS U	Unknown 5,000.00 CAD
4600002392	FY 12/13 BUFFALO CC 2182ZZ	34	00-0456623:NSN HAND PUMP	1000	ADM (Mat) 001	Default MRP Ctrl 006C	RMA SBC1 NS U	Unknown 1,600.00 CAD
4600002392	FY 12/13 BUFFALO CC 2182ZZ	34	00-0817844:NSN POWER SUPPLY	1000	ADM (Mat) 001	Default MRP Ctrl 006C	RMA SBC1 NS U	Unknown 5,500.00 CAD

Second Row

DMC	CFSS UOI Price	SMC	RQ Month	Spin Number	Vendor	Location	Postal Code	Street Name	Telephone 1	Validity End date	Material group
Controlled/Demil-mutilate unrepairable	8,477.30 CAD	52W (A) DAP4-4-2-3	#	#	1207039 KELOWNA FLIGHTCRAFT LTD	KELOWNA	V1V 1S1	5655 AIRPORT WAY	#	31.03.2013	1560 Airframe Structural
Controlled/Demil refer to tech auth	2,710.00 CAD	52W (A) DAP4-4-2-3	#	#	1207039 KELOWNA FLIGHTCRAFT LTD	KELOWNA	V1V 1S1	5655 AIRPORT WAY	#	31.03.2013	1560 Airframe Structural
Controlled/Demil-mutilate unrepairable	10,000.00 CAD	52W (A) DAP4-4-2-3	#	#	1207039 KELOWNA FLIGHTCRAFT LTD	KELOWNA	V1V 1S1	5655 AIRPORT WAY	#	31.03.2013	6130 Converters, Electric

Third Row

Technical Auth. Code	Repairable Reserve	Repair Priority Code	Repairability Code	RMR	Process (R/O)	Changed On	Changed By	Current Year Forecast	Next Year Forecast	SU	CAD	CAD
A57G	N	R	G	#	D	27.09.2013	RGSNOW	0001	0001	1.000	0.00	7,760,000.00
A57G	N	C	B	#	D	27.09.2013	RGSNOW	0004	0002	1.000	0.00	7,760,000.00
A57E	N	R	B	#	D	30.09.2013	RGSNOW	0008	0008	1.000	0.00	7,760,000.00

(See description of all fields below).

Contract –Outline Agreement

The outline purchase agreement is often referred to as a blanket or umbrella purchase order.

Contract Description

Description of the outline agreement

Contract Item

Material Number / Descriptor

Material Master Record Number- Refer to MSL Para 2

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Plant / Descriptor

The plant is a four-digit identifier for a production facility or branch office within a company. ADMMAT plant is 1000

MRP Controller

MRP Controller is the person who is responsible for a group of materials in a MRP in a plant or company.

Storage Location

Storage location is a place where physical inventory is kept within a plant

Acct. Assignment Category

An account assignment is a one-character identifier used in creating a purchase requisition and a purchase order to link the document to the financial data. Four different codes exist, they are: (1) "K" for cost center (2) "P" for capital project (capital stand alone and major crown projects) (3) "F" for internal order (4) "U" for unassigned (only used to create funds earmarked for future activities).

Account assignment blank is used to procure material as inventory and it can be consumable or accountable.

Maximum Repair Cost

See MSL Annex D

DMC Descriptor

See MSL Annex D

CFSS UOI Price

See MSL Annex D

SMC / Descriptor

See MSL Annex D

RQ Month

See MSL Annex D

Spin Number

See MSL Annex D

Vendor

Vendor is a person or company that does legal business (sales) with DND. There are four types of vendors in FMAS: (1) supplier (companies), (2) non-supplier (individuals); (3) other government department; and (4) onetime (template). Externally assigned vendors are created by DMAC 4 and include: Onetime (CPDL) and other government department (ZOGD). Internally assigned vendors are created by Section 34 users and include: supplier (VNDR); and non-supplier (NONS).

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Location

City for delivery address

Postal Code

Postal code for Delivery address

Street Name

Number and Street name for Delivery address

Telephone 1

Telephone number for Delivery address

Validity End date

Forecast validity

Material group

Refer to MSL Annex D

Technical Auth. Code

Refer to MSL Annex D

Repairable Reserve

Refer to MSL Annex D

Repair Priority Code

Refer to MSL Annex D

Reparability Code

Refer to MSL Annex D

RMR

Presently not used

Process (R/O/D)

This defines whether WO is Repair (R Linked), Overhaul (O), Delinked (D).

The SM can obtain this information from PA who is responsible for updating this information in the system.

If the process for the WO is R (Linked) the WO will automatically create a PReq, PO and a GR. The invoice is paid using a CC.

If the process for the WO is D (Delinked) will not automatically create a PReq, PO and a GR. The PA will have to manually create the PREQ. The invoice is made using a CC

If the process for the WO is O (Overhaul) the WO will not automatically create a PReq, a PO and a GR. The invoice is paid using a WBS element

Note: R=Repair IW81 Type R001 Control Key ZP12

D=Delink IW81 Type R001 Control Key ZP02

O=Overhaul IW31 Type R002 Control Key ZP08

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Changed On

Last date when repair data was changed in ZEMM_RO_MANAGED

Changed By

Last person user ID who changed any repair data in ZEMM_RO_MANAGED

Current Year Forecast/Next Year Forecast

The SM, in consultation with the LCMM, shall compute a forecast of the number of MMRs that will arrive at the repair contractor over the next 2 –12 months re provisioning periods. This Current Year Forecast (CYF) and Next Year Forecast (NYF) become the basis for R&O funding provided to the PA and for planning purposes by the contractor. The current year forecast is also the maximum quantity the contractor is authorized to receive and repair unless there is an amendment to the SNAPS or CYF. Because quantities forecasted have a direct impact on funds expenditure, care shall be exercised to ensure that forecast quantities are based on accurate data of past usage, future activity and/ or the manufacturers input in the case of initial procurement.

The following principles shall apply when calculating a forecast:

Repair Forecasts shall cover a 24-month period commencing at the beginning of the current fiscal year for each MMR. The forecast shall be expressed in terms of two 12-month periods.

The forecast will indicate the number of unserviceable items that the LCMM/ SM forecast would arrive at the repair facility in each of the 12-month periods. This will be determined by looking at the historical data (how many arrived last year) and the expected usage of the end equipment over the next 2 years.

The forecast will show against the FH (Family Head). But will include the forecast for the subordinate MMR. The forecast for the subordinate item will be shown as 00SN when the repair will not change the MMR. The forecast will be 00RW when it is to be reworked to become the same as the FH or into another number as identified in the contract. When completing the annual review it is important that the SM check the forecast against all the subordinates to ensure it shows 00SN.
(Under review with DRMIS)

Order Qty /SU

Standard unit of Issue

Order Amount Net / CAD

Not used

Order Amount Gross / CAD

Standard Unit Price

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Family Head and Rework Task

If the item is a family head (FH) the Current year Forecast (CYF) and Next Year Forecast (NYF) will show the forecasts of that FH. All items under that FH are called subordinates. The forecast for FH items and subordinate items under that FH may or may not be grouped under the one Family Head CYF and NYF.

If the CYF and NYF are grouped under one FH, then the change to the forecast will be against the FH. The forecast for the subordinate item will be shown as 00SN if the repair does not change the stock code. The forecast will be 00RW when it is to be reworked to become the same as the FH. The SPIN Web Site REWORK NSN section shows the Family Head in the Rework Nato Stock Number field and the Subordinate in the Nato Stock Number Field. If the CYF and NYF are not grouped under the one FH then the change to the forecast will be for each individual MMR. The links are:

+LEMS Helpdesk@ADM(Mat) DLEPS@Ottawa-Hull - Army CDM

+ RCAF CDM-SIGRD ARC GDC@ADM(Mat)DAEBM@Ottawa-Hull - Air Force CDM

+DMMS 3 Fleet Data Management@ADM(Mat) DMMS@Ottawa-Hull - Navy CDM

Note: NDQAR Supply representative provides the SNAPS report monthly to all in-country **Contractors**.

The PA who is responsible for the Service Level Agreement and creation of the DND 2nd line RMF and 3rd line repair facilities will provide the SNAPS reports for these accounts

The PA is responsible for distributing the SNAPS to out-of-country contractors.

The SNAPS along with the contract/SLA is the authority for the contractor/facility to commence the repair as long as the estimated cost of repair is within the MRC and the Current Year Forecast (CYF) has not been exceeded. A sample of the SNAPS can be found at Annex C

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ANNEX B SNOM (Selection Notice Observation Message)

A SNOM is used by contractors to report an observation. It is understood that a SNOM can be an email with all pertinent information enclosed

SELECTION NOTICE OBSERVATION MESSAGE (SNOM)

SNOM Process can be found at this link:

\\dcs-ls2-pv03789\mat-rki\$\SRV-Apps\0_DGMSSC-DGSMCA\Qualiware\MAS_Enterprise_Architecture\EP_QualiwareWWW\WorkFlowDiagram\7d54f354-a4bf-4dd7-8a3a-dd54c1f05262.html

See SNOM form below

SNOM TYPE
<input type="checkbox"/> Insufficient or Exceeded Forecast. <input type="checkbox"/> Beyond Maximum Repair Cost (MRC). <input type="checkbox"/> Beyond Economical Repair (BER). <input type="checkbox"/> No Authorization to Repair. <input type="checkbox"/> MRC Permanent Increase. <input type="checkbox"/> Other

Contractor to complete Parts 1 to 3 and part 4 or 5 when required:

Part I: Supplier Info

Contractor Name	PWSGC Contract	RMA/SLOC (Plant /SLOC)
Contact Person	Email Address	Telephone

Part II: Material Info

MMR (Material Master Record)		Description					
Consignor/ Plant/SLOC	DRMIS Work Order	Contractor Work Order	Quantity	Unit of Measure	Date Received		

Part III: Additional information

Authorization	Repair Code	Repair Reserve Flag	Maximum Repair Cost	Current year Forecast (if selected)	Next Year Forecast (if selected)	Qty Previously Received During Current Fiscal Year

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SNAPS <input type="checkbox"/>	A <input type="checkbox"/>	Y <input type="checkbox"/>				
RMR <input type="checkbox"/>	B <input type="checkbox"/>					
Tasking <input type="checkbox"/>	D <input type="checkbox"/>	N <input type="checkbox"/>				
Unknown <input type="checkbox"/>	F <input type="checkbox"/>					
	G <input type="checkbox"/>					
	L <input type="checkbox"/>					
	N <input type="checkbox"/>					

Part IV: If one time MRC increase is required a Repair Cost Breakdown is required.

A: Labour Costs (per item)				
Number of hours				
Per Hour Rate				
Labor Cost Total		(A)		
B: Spares Cost (per item)				
Contractor Issue Spares (CIS)				
Accountable Advance Spares (AAS)				
Government Furnished Overhaul Spares (GFOS)				
Contractor Furnished Materiel (CFM)				
Embodiment Fees				
Spares Cost Total		(B)		
C: Other Fees				
Other Fees Total		(C)		
Total Repair Cost (A + B + C)				

Part V: If a permanent increase in MRC is required a Repair Trend Analysis is required (24 months)

Ser #	DRMIS Work Order	Date	Total Cost
01			
02			
03			
04			
05			
06			
07			
08			
09			
10			
11			
12			
13			
14			
15			

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16			
17			
18			
19			
20			
	Average Repair Cost		
	Recommended MRC		

Contractor Comments

DND Representative (LCMM, SM) Comments/ Recommended action

Part VI: Procurement Authority

- Approved DND Representative (LCMM, SM) Recommended action
- Not Approved DND Representative (LCMM, SM) Recommended action

Procurement Authority Comments

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ANNEX C PRIORITY REPAIR REQUEST- (PRR)

A Priority Repair Request (PRR) is direction to the contractor to repair an item on a priority basis. These requests originate from NDHQ/Supply Managers and are communicated to NDQAR by e-mail. The SM forwards the information to the contractor for action, by email.

PRIORITY REPAIR REQUEST

Part I: Contractor Info / Repair Facility

Contractor Name	PWSGC Contract	RMA/SLOC (Plant/Storage)
Contact Person	Email Address	Telephone

Part II: Materiel Info and Task

MMR		Description / QTY / Date required / MRC					
Repair Order Number	CFSS Work Order	Contractor Work Order	Quantity	Cat Code	Location	Date Required	Maximum Repair Cost
Due(S)-Out Qty		Inter District Transfer number		Warehouse Requisition		RDD	
Work Required and other technical Info							

Part III: Stock location

If Materiel is on repair line: Provide DRMIS Work Order	DRMIS Work Order
If materiel is at the Contractor site but DRMIS WO not created : Provide DRMIS Plant /	DRMIS Plant / SLoc

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Storage Location	
If materiel is in transit: Provide STO Number	STO Number
If materiel still on Base or depot: Provide Store Removal Request (SRR) number and Plant / Sloc the materiel is being shipped from	Consignor Plant / SLoc

Responsible	Name	Email Address	Telephone Number
Procurement Authority			
Technical Authority			
Supply Manager			
General instructions			

Part IV: Contractor Reply on PRR (to be sent to the SM)

A- Task can be completed in time as per the RDD.	Yes / No	If No, provide reason and details
B- Task can be completed without overtime or any other extra cost	Yes/ No	If No, provide reason and details
C- Task can be completed without Impact on other work already on or coming to this repair line	Yes/ No	If No, provide reason and details

Contractor Point of Contact	Email Address	Telephone Number
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Part V: DND Procurement Authority (Only required if Part IV A, B and C if any are marked "No")

Procurement Authority	Email Address	Telephone Number
Comments and action to be taken :		

Appendix D to Annex A - LSVW LOGSOW**W8486-218015/A - LSVW R&O Engine, fuel injector pump, turbocharger, & fuel injectors****ANNEX D QD MESSAGE FORMAT DIR**

Items that cannot be requisitioned through DND because of special circumstances are to be submitted by message demand to the NDHQ supply manager. . The QD template can be found in attachment below. Items in this category are items governed by special instructions or specifically authorized for off-line management IM advisory code

"A"	-Transaction - type of transaction/requisition -Transaction: le type de transaction ou de demande
"B"	Plant & SLOC
"C"	Quantity/ Quantité
"D"	Unit of Measure (UOM)/ Unité de mesure (UM)
"E"	-MMR. When the number is a manufacturer's part number, the S/C of the next higher assembly or end item or whichever comes first. The manufacturer's code or name and the Canadian Forces Technical Order (CFTO) number including figure, index, item, and page number in the CFTO or publication, which contains the manufacturer's part number must be included. When the NATO stock class is 1560, 1615, 2810 or 2840, include the Related Aero Equipment Code as shown in Canadian Government Cataloguing Materiel (CGCM).
"F"	-Basic item name and end item application (describe as completely as possible) -Nom de l'article de base et application de l'article complet (décrire de la façon la plus détaillée possible)
"G"	Materiel Authorization Document / Document de dotation en matériel
"H"	Entitlement Quantity /Quantité de dotation
"J"	Quantity Held/Quantité détenue
"K"	Priority /Priorité
"M"	Date required (include the precise date required) Date requise (ajouter la date précise requise)
"N"	Cost centre and expense element/Centre de coûts et élément de dépense
"Q"	Work order/Project/Activity .Commande de travail, projet ou activité
"R"	Return date (Loans).Date de retour (prêts)
"S"	-Customer's name and telephone number (commercial and CSN) -Nom et numéro de téléphone du client (commercial et RCCC)
"T"	-Supporting Plant & SLOC plus telephone number, name of originator -Plant et SLOC de soutien ainsi que le nom et le numéro de téléphone du demandeur
"U"	-Must include the Equipment Group Identifier (EGI) and the type or registration number of major equipment -Doit comprendre l'identificateur de groupe d'équipement (IGE) ainsi que le type ou le numéro d'enregistrement de l'équipement principal

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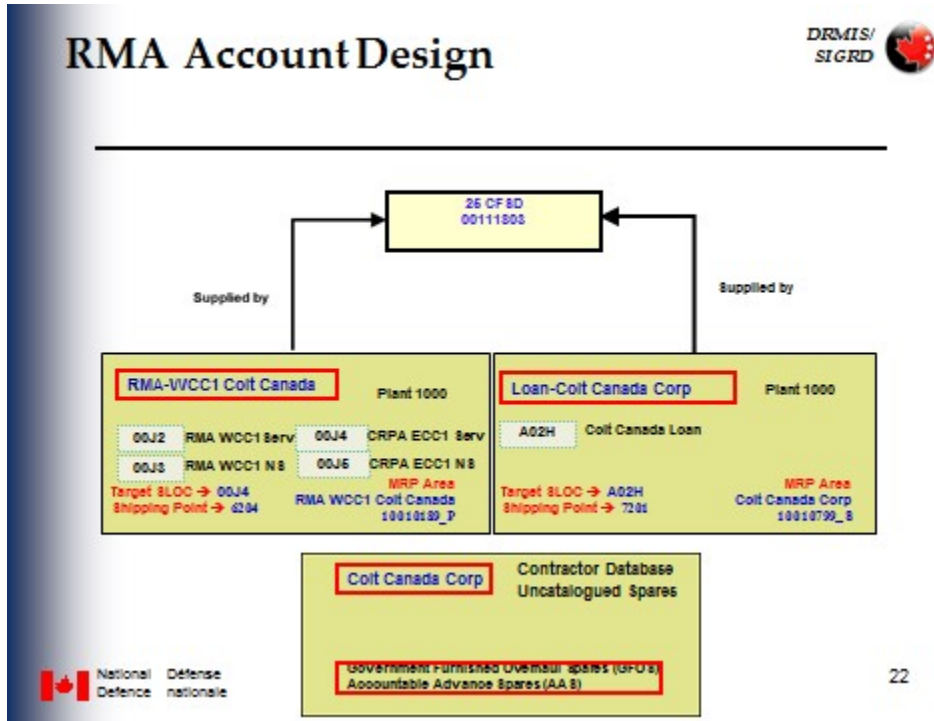
"V"	<ul style="list-style-type: none">-Special Instructions. If the message is a requisition inquiry, include the applicable query, including the reference to the original message and date/time group.-Instructions spéciales. Si le message est une interrogation relative à une demande, inclure l'interrogation pertinente, y compris le renvoi au message original ainsi que la date et l'heure.
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ANNEX E RMA ACCOUNT DESIGN

A **Repairable Material Account** is an account that will be allocated to the Contractor to hold the authorized material for repair that is approved on the contract. The RMA is represented within the system by a three Alpha character format followed by a number “1” i.e. “WAL1”. There will be two storage locations (SLOC) allocated. One will be a Serviceable storage location and the other will be an Unserviceable Storage Location (SLOC).



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ANNEX F STOCKTAKING SECURITY REQUIREMENTS FOR MATERIAL TYPES

Some repairable items, because of their critical and sensitive nature, or because of the country where they are held will require Stocktaking on a more frequent basis. The items listed here under are subject to specific stocktaking periods and special requirements.

Materiel Type	High Risk	Warehouse and Customer Account	Stocktaking/Security Requirements
High Value materiel and equipment (\$500,000 (per unit) and greater)	Y	All	Annually
Bulk Fuel	N	All	<ul style="list-style-type: none"> • Active tanks: <ul style="list-style-type: none"> ○ daily checks ○ monthly stocktaking with adjustments • Inactive tanks - weekly • Complete systems - monthly
Packaged Fuels & Lubricants (F&L)	N	All	Every two (2) years
Weapons (E – Controlled Equipment) and Self-Contained Weapon Systems	Y	Rangers	<ul style="list-style-type: none"> • Quarterly serial number verification by Ranger staff • Stocktaking by designated supporting Regular Force Personnel every two (2) years
Note: Includes artefacts and training aids		All others	Quarterly
Weapons (A-Accountable) Note: Includes artefacts and training aids		All	Annually

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Materiel Type	High Risk	Warehouse and Customer Account	Stocktaking/Security Requirements
<p>Notes:</p> <p>3. When stocktaking weapons, physical counts and serial number validation shall be performed, summarized, and verified against the system of record by individuals who are independent of the materiel and equipment.</p> <p>4. Unless specifically identified, the term “All others” is used to define all Regular and Reserve forces, Cadets, Contractors, Borrowing agencies, Research facilities, etc. that is in possession of DND/CAF materiel and equipment.</p>			
Torpedoes, missiles and bombs	Y	All	Annually
Other explosive ordinance	N	All	Annually
Classified Equipment	N	All	Every six (6) months
Controlled Cryptographic Item (CCI)	Y	All	Semi-annual (April and October)
Portable Night Vision Devices (NVDs)	Y	All	When issued for use: <ul style="list-style-type: none"> • Daily – Visual check
			<ul style="list-style-type: none"> • When not issued for use: <ul style="list-style-type: none"> ○ Monthly - Physical count ○ Quarterly - Serial number validation
Mounted NVDs	Y	All	<ul style="list-style-type: none"> • While mounted: <ul style="list-style-type: none"> • Yearly - Physical count • Yearly - Serial number validation

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Materiel Type	High Risk	Warehouse and Customer Account	Stocktaking/Security Requirements
			<ul style="list-style-type: none"> • Unmounted: <ul style="list-style-type: none"> • Monthly - Physical count • Quarterly - Serial number validation
NVD Spare Parts	N	All	<ul style="list-style-type: none"> • A – Accountable <ul style="list-style-type: none"> • Physical count every four (4) years • C – Consumable <ul style="list-style-type: none"> • Physical count every four (4) years • E – Controlled Equipment <ul style="list-style-type: none"> • Monthly – Physical count • Quarterly – Serial number validation
Controlled Equipment	N	All	Annually
Combat Rations	N	All	Annually
Medical Equipment	N	Canadian Forces Health Services Group (CF H Svcs Gp)	IAW A-MD-175-003/AG-001 Medical Materiel Management
Controlled Goods not listed above (materiel designated by CTAT Office)	N	Cadet Units	Every two (2) years
	N	Contractors	Every two (2) years
	N	Borrowing Agencies	Every two (2) years
	N	All others	Every four (4) years
All materiel not listed above	N	Cadet Units	Every two (2) years
		Contractors	Every two (2) years

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Materiel Type	High Risk	Warehouse and Customer Account	Stocktaking/Security Requirements
		Borrowing Agencies	Every two (2) years
		All others	Consumable materiel not subject to mandatory cyclical stocktaking providing that: <ul style="list-style-type: none"> ○ it is not subject to restrictions (i.e. HazMat), and; ○ has a unit price (<) under \$500.
			Consumable materiel subject to mandatory cyclical stocktaking providing that the item: <ul style="list-style-type: none"> ○ has restrictions (i.e. HazMat) or; ○ has a unit price of \$500 or (>) greater. Accountable materiel: <ul style="list-style-type: none"> ● every four (4) years.
N	Depots (including Halifax and Esquimalt Main Supply Warehouses)	Consumable and Accountable materiel not subject to the mandatory cyclical stocktaking providing that: <ul style="list-style-type: none"> ● the items not subject to restrictions; and ● the unit price is (<) under \$500. 	

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Materiel Type	High Risk	Warehouse and Customer Account	Stocktaking/Security Requirements
			Consumable and Accountable materiel: <ul style="list-style-type: none">○ with a unit price of \$500 and (>) over;○ every four (4) years.

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ANNEX G STOCKTAKING PLAN

The Contractor will ensure that 100% of the DND Owned material is planned to undergo stocktaking at least one time during this two year period or more frequently as dictated at Annex I

Annual Stocktaking Plan

<i>Supplier</i>		<i>PWSGC Contract number</i>		
<i>Supplier Inventory Responsible Person</i>				
Name	Telephone	Fax	Email	
<i>DND Supply Representative</i>				
Name	Telephone	Fax	Email	

Account Code	Stock Type	Site Location	Record Source	Inventory Range	Number of MMR or P/N	Planned Date	Planned Days	Planned Pers/day	Estimated Cost to DND

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inventory System.

Note 4: Report in one currency only and specify the currency if it is not Canadian.

Note 5: If known, enter the program under which the inventory is held (e.g., GFOS, AAS, Bonded Stock, etc.).

Note 6: Please identify repair flag Y for a repairable item and N for a consumable item.

"DND Owned Inventory Holdings held by Contractors as at 31 Mar 20XX".

- A separate Inventory Holdings report is required for Consumable Inventory and Repairable Inventory. If your inventory cannot be reported or separated on the basis of consumable versus repairable, please state what the majority of the inventory would be classified as repairable or consumable
- Loaned equipment from DND must be authorized through a DND-authorized loan agreement. Reporting shall be as per the conditions of the loan agreement.
- Whole Capital assets are not to be reported to DND. Whole Capital Assets are equipment that has been purchased by DND not inventory, such as vehicles, test equipment, etc.
- The reports provided by the company inventory system are acceptable for reporting purposes to DND, as long as they
- contain the essential information requested in the template provided.
- Provide any alternate part number or manufacture part number in addition to the part number listed above. Provide the class also, if available, as well as any additional field information you have that may help to classify the data.
- Provide the inventory report in **electronic format**, **MS Excel** being the preferred software, advise Procurement Authority if not available.

PART B

**REPAIRABLE TEMPLATE
INPUT / OUTPUT REPAIRABLE INVENTORY REPORT
FOR THE YEAR ENDING 31 MARCH 20XX**

Opening Inventory as at 1 April 20XX:

Plus: Cost of Goods Purchased or Acquired:

Minus: Consumption / Removals:

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Closing Inventory as at 31 March 20XX:

\$	-
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NOTES

Note 1: The closing inventory as at 31 March 20XX must be equal to the itemized listing of repairable items provided through Part A, DND Owned Inventory Holdings Held by Contractors as at 31 March 20XX.

Note 2: A separate Input / Output Inventory Report is required for Consumable Inventory and Repairable Inventory.

Note 3: Report in one currency only and specify the currency if it is not Canadian.

**INPUT / OUTPUT CONSUMABLE INVENTORY REPORT
FOR THE YEAR ENDING 31 MARCH 20XX**

Opening Inventory as at 1 April 20XX:

--

Plus: Cost of Goods Purchased or Acquired:

--

Minus: Consumption / Removals:

--

Closing Inventory as at 31 March 20XX:

\$	-
----	---

NOTES

Note 1: The closing inventory as at 31 March 20XX must be equal to the itemized listing of consumable items provided through Part A, DND Owned Inventory Holdings Held by Contractors as at 31 March 20XX.

Note 2: A separate Input / Output Inventory Report is required for Consumable Inventory and Repairable Inventory.

Note 3: Report in one currency only and specify the currency if it is not Canadian.

PART C

ADDITIONAL INFORMATION REQUESTED FOR YEAR END REPORTING

Description of the activities performed under the Repair & Overhaul (R&O) contract(s) supported by the inventory holdings if not supplied on the Part A spreadsheet (i.e. R&O on Hercules engines).	
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How often is a stocktaking performed on the contractor holdings of DND owned inventory?	
What is the date of last stocktaking?	
What accounting method is used by the contractor to value the inventory reported (FIFO, LIFO, historical cost or moving weighted average)?	
Is this a sub-contractor to another company? If so, who?	
DND and Contractor points of contact for the inventory report as at 31 March 20XX.	

NOTES

Note 1: Inventory reports may be subject to audit by the Office of the Auditor General (OAG).

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ANNEX J STOCKTAKING SUMMARY REPORT

The Contractor will prepare a Stocktaking Summary Report for each account type (see Annex N).

Supplier Name	
PWGSC Contract Number	
Count starting date	
Count Completed date	
Account name	
Account type : RMA, CRPA, GFOS AAS	
Number of line items counted	
Inventory valuation after stocktaking	
Deficiency value on CF 152	\$ CAN
Surplus value on CF 152	\$ CAN

Justification for discrepancies :

Contractor's corrective actions taken:

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ANNEX K RMR TEMPLATE

A RMR is submitted when a repairable MMR (B, F, N) is not selected with forecasts in ZEMM_RO_MANAGED

Or a repairable MMR (G or L) is deemed to be beyond the repair capability of second line and the Repair Reserve flag is set to "N" (no) or the RPC is not set to "P"(pending).

Repair Materiel Request (RMR) Demande de Réparation de Matériel (DRM)

Part I : Original Contact Info - Info sur Personne Contacter au point d'origine				
Person Contact Name Nom de la personne à Contacter		Phone Number No de Téléphone	Email Address Adresse du Courriel	
Part II : Original Location info - Information sur la location d'origine				
CAF Unit / Section Unité des FAC / Section		Plant / Division	Sloc / Magasin	
Part III : Details on Materiel to repair - Détails sur l'Article à Réparer				
MMR / RMM		Qty / QTA	EMR / RME	Ser no / No de Série
Description		UoM UdeM	Repair Code Code de Rep.	ERN / NRE
MRC / CMR	R&O process (R, D or O) Procédure de R&M (R,D ou O)	Repair of item is beyond 2 nd line capability / La réparation de l'article est au-delà de la capacité de 2 ^{ème} ligne : Yes or No Oui ou Non		
Failure Description (You can provide pictures) – Description de la défaillance (Vous pouvez fournir un photo)				
Part IV : NDHQ Response to RMR Originator - Reponses du QGDN				
Action to be taken by RMR Originator – Action à être prise par l'originateur du DRM				
Part V : Auth to Repair or Other task – Autorisation de réparer ou autres tâches				
Contract no / No de Contrat		RMA / CMR	Plant / Division	Sloc / Magasin
Instruction to Repair Facility - Instruction pour l'installation de Réparation				
Supply Manager / Gestionnaire d'Appro.		Name / Nom		Date
Life Cycle Material Manager / Gestionnaire de Cycle de Vie du Matériel		Name / Nom		Date
Procurement Authority / Autorité des Achats		Name / Nom		Date
Part VI : Action taken by Original Location - Action prise par la location d'origine				
Action taken by Action Prise Par		Name / Nom		

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ANNEX L INVENTORY CONTROL CARD (Non Catalogued)

Inventory control card for DND owned and supplied materiel (non catalogued) contract and account info

INVENTORY CONTROL CARD FOR DND OWNED AND SUPPLIED MATERIEL (NON CATALOGUED)

CONTRACT AND ACCOUNT INFO

PWSGC Contract Number	Vendor Code	CRPA Account Plant/SLOC	GFOS/AAS

Supplier Info

Supplier Name	Contact Name	Tel No	Email	Fax No

ITEM MANAGEMENT DATA

Manufacturer Company Code	Manufacturer Part Number	Description	Base Unit of Measure	Stock Class	Standard Unit Price	Repairable (Yes or No)	Item Advisory	De Militarized Code	Shelf Life Expiry Date

ITEM MANAGEMENT DATA (Con't)

MIN	MAX	Usage per month 12 month - 24 month	Removed from which Equipment?	Used on which Equipment?

STOCK INVENTORY TRANSACTION AND BALANCE

Date	Trans Type	Control Number	Qty	Serv/Unserv	Waybill	Serial No

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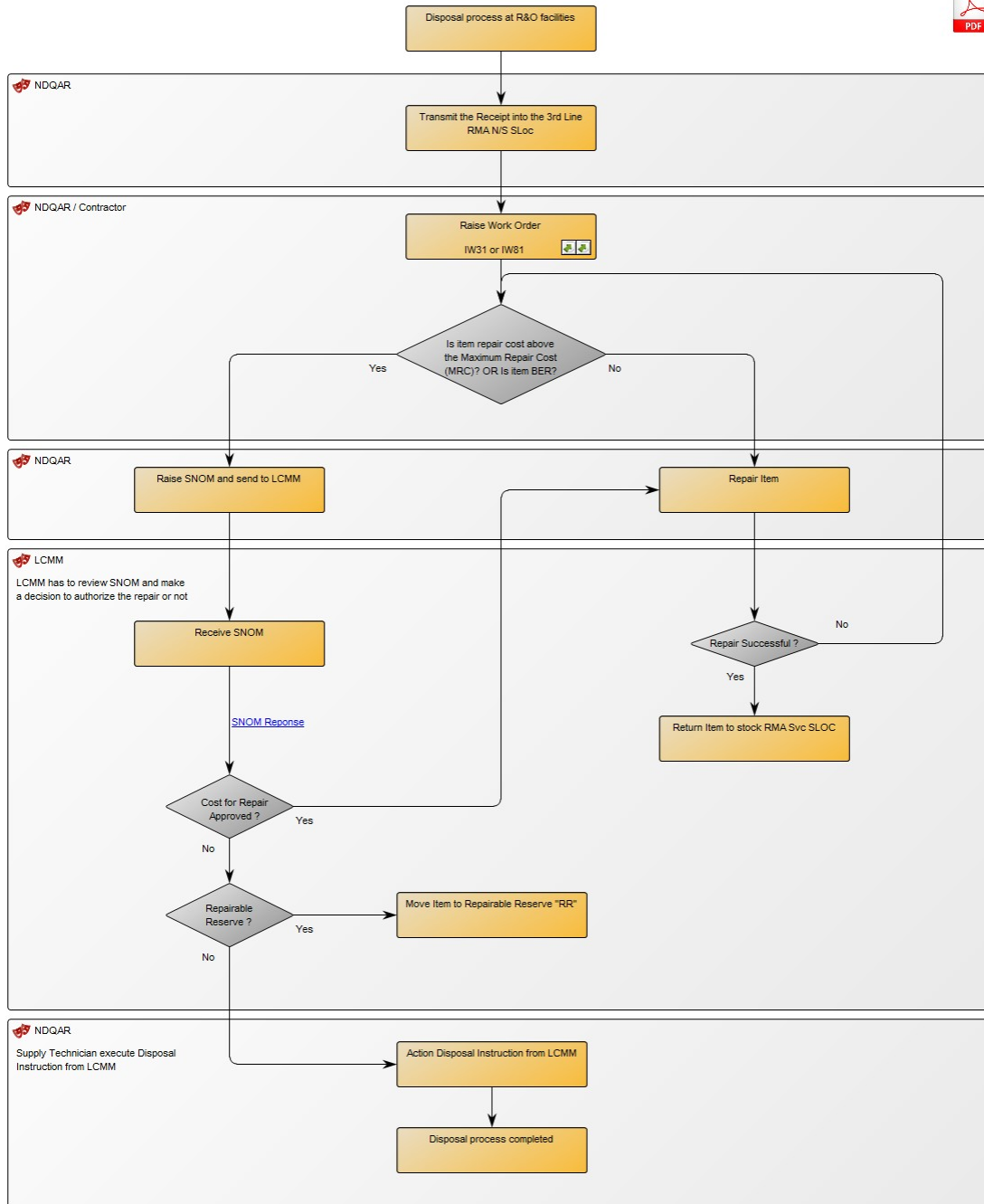
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Work Order		Total Stock Balance Qty		Average Procurement Cost (CAN\$)	Authorisation Comment or References
Company	DRMIS	Serviceable	Unserviceable	Due in	

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ANNEX M DISPOSAL AT R&O FACILITIES

This is the step by step process to dispose of an item at a repair facility.



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ANNEX N PROCUREMENT AUTHORITY LIST

Procurement Authority List (PAL): This document is used when a SM wants to complete any amendment to the MSL/SNAPS. A PAL is a document used to add (add), modify (mod) or remove (SRR) a selection of one or many MMRs to a repair line (RMA/SLOC).

Note: A PAL DIR can be used to Select and Ship

DRMIS PAL DIR DOC#	10000521236							DATE	19-Feb-14				
PROCUREMENT AUTHORITY LIST (PAL)													
RMA	ABC1			SLOC	002T					SELECT & SHIP			
Stock Code / MMR	REWORK to Stock Code / MMR	Repair Priority Code (RPC) R,U,C,P	Max Repair Cost (MRC)	Current Year Forecast	Next Year Forecast	Repairable Reserve (Y / N)	SPIN	PROCESS: Repair - R Overhaul O Delink - D	Action ADD SRD MOD	Base (A601)	SLOC	QTY	Cat code
12-3456789		R	250\$	0012	0025	N	123	D	ADD				
SM name	John Smith												
LCMM / TA name	Sandra Huard												
PA name	Debbie Wright												

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GLOSSARY

Adjustment: Any amendment necessitated by a posting error, duplication, lack of supporting documentation, etc. These transactions are effected by raising certificate vouchers, i.e., certificate issue vouchers (CIVs) or certificate receipt vouchers (CRVs)

Beyond Economical Repair (BER): A condition classification code assigned to unserviceable equipment which, as the result of the application of financial criteria, is considered uneconomical to repair.

Boat Movement Order (BMO): Authorization to move a boat.

Canadian Forces Ammunition Depot (CFAD): these depots are responsible for warehousing and stocking ammunition. We have four ammunition depots located in Rocky Point BC, Bedford NS, Dundern SK and Angus ON.

Canadian Forces Supply Depot (CFSD): The supply depots in the CF are: 7 CFSD Edmonton and 25 CFSD Montreal. These depots are responsible for warehousing and stocking supplies of materiel for distribution to bases and stations;

Canadian Forces Technical Order (CFTO): Publications and other information media, which provide technical direction and information on the design, installation, operation, maintenance, inspection and modification of CF equipment.

Contract Authority (CA): Contract Authority is the authority, delegated by the MND, to persons occupying specific DND/CAF positions or fulfilling specific organizational functions to enter into and sign contractual documents on behalf of the department. (Extracted from Financial Administration Principles, section of CAF A-FN-100-002/AG-006) These delegated DND contract authorities are shown in the Delegation of Authorities Matrix, Columns 15-24. Contract authority is identified in the contract and contracts out for goods and services valued greater than \$5K.

Contractor Furnished Materiel (CFM): Materiel such as nuts, bolts, capacitors, resistors, etc., which are commercially available and normally carried in stock by the contractor. Contractor Furnished Material includes spare parts the Vendor/ Contractor has to provide for use on the repair line for DND equipment that are not covered by CIS, AAS, or GFOS.

Current Year Forecast/Next Year Forecast (CYF/NYF): The SM, in consultation with the LCMM, must compute a forecast of the number of MMRs that will arrive at the repair contractor over the next 2 –12 months re provisioning periods. This Current Year Forecast (CYF) and Next Year Forecast (NYF) become the basis for R&O funding provided to the PA and for planning purposes by the contractor. The current year forecast is also the maximum quantity the contractor is authorized to receive and repair unless there is an amendment to the SNAPS or CYF. Because quantities forecasted have a direct impact on funds expenditure, care must be exercised to ensure that forecast quantities are based on accurate data of past usage, future activity and/ or the manufacturers input in the case of initial procurement.

Cut-off date: A date after which no further inventory/computer transactions that effect balances are carried out for receipts and issues. After the cut-off day, all

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inventory/computer balances are to remain unchanged while a physical stocktaking count is being carried out and finalized. Once the physical stocktaking is finalized, all counted stock balances will be compared to the computer balances reported on the cut-off date.

Department of National Defence (DND): is a Canadian Government Department responsible for defending Canada's interests and values at home and abroad. The Department of National Defense exists to aid the minister in carrying out his responsibilities within the Defence Portfolio, and provides a civilian support system for the Canadian Armed Forces.

Director Materiel Policy and Procedures (DMPP): is accountable for establishing and maintaining an integrated MA&S policy, standards and business process framework across the Department and the CF.

Director Quality Assurance (DQA): is the DND National Quality Assurance Authority (NQAA). The Director Quality Assurance (DQA), as the representative of the DND NQAA, and is responsible for:

- providing assurance of quality through the application of Government Quality Assurance (GQA) on the acquisition of materiel and services for the CAF, the department and other clients
- providing advisory and auditing services on quality management systems
- providing logistic support services
- providing client support services

Director Quality Assurance, Repair and Overhaul (DQA R&O): Director Quality Assurance (DQA) has a Repair & Overhaul (R&O) entity which is responsible for managing DRMIS R&O activities for ADM(Mat) Equipment Program Management/Equipment Program Services (EPM/EPS) Supply Managers within the NICP, and Procurement Authorities associated with Repair and Overhaul contracts.

Director Supply Chain Operations (DSCO): provides material acquisition and support (MA&S) leadership in Performance Management, Compliance & Oversight, Technical Data Services and Cataloguing, as well as, enabling capabilities for the execution of an effective, efficient and accountable Supply Chain.

Disposal: The removal of materiel either in a whole state or as residual scrap from a contractor's facility by a surplus declaration to PSPC Crown Assets Distribution Directorate/Centre, by trade-in, by destruction on site or by vouchering to one or more of the other R&O contractors or to other DND establishments.

Equipment: Major items of materiel that are not expendable except through depreciation or wear and tear and which, although they may be fixed or positioned in prescribed places, do not lose their identity or become integral parts of other equipment and installations. Items in this category are normally susceptible to running maintenance. Equipment items are usually procured, issued and replaced on the basis of planned departmental capital acquisition programs, for example, aircraft vehicles, vessels, boats, workshop machinery, electronics systems.

Equipment Master Record (EMR): The equipment master record contains information on a piece of equipment. A piece of equipment is an individual, physical object that is

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maintained as an autonomous unit. When you create an equipment task list, data such as the short text and the planner group is taken from the equipment master record and transferred to the equipment task list as default data. The bill of material assigned to the piece of equipment is also transferred.

Equipment Program Management (EPM): EPM organisations are designed to have a clear environmental or customer focus and are structured to support integrated equipment systems management. An EPM consists of:

- a. A small Business Management Team (BMT) which focuses on EPM business planning and stewardship of financial and human resources.
- b. Several multi-disciplined EMTs whose composition varies as a result of their unique environmental requirement.
- c. An EPM Support Services Team (SST) which provides specialist or unique EPM support to the EMTs or BMTs.

First In, First Out (FIFO): In the case of FIFO strategy, the system first proposes the oldest quant from the storage type from which you want to remove products from stock. The system calculates the age of a quant (its retention period in the warehouse) from the date when goods receipt was posted. The goods receipt date is set automatically in the quant and in the warehouse request for each goods receipt posting. You can accept the goods receipt date that the system sets or you can enter a different date. Regardless of whether you adopt the goods receipt date or enter a new one, the system uses this date to calculate the age of the quant. This date influences the sort sequence for each product.

Government Quality Assurance: The process by which the appropriate national authorities establish confidence that the contractual requirements relating to quality are met.

Inventory Control Card: A manual or electronic record of stock used for material management and audit purposes and to include transactions such as issues, receipts and stock adjustments.

Issues: The release of materiel pursuant to a properly authorized requisition or instruction.

Loan: The agreement to allow a third party to use an asset, whether or not a consideration is involved, without transferring the title of that asset.

LOGSOW: The LOGSOW is a mandatory part of the contract, costed and also subject to negotiation. The LOGSOW is a generic format that is provided to the Procurement Authority, who tailors it specific to meet the requirements of individual contracts. The intent is that the SOW informs the contractor of the work required by the crown, and provides the contractor with procedures/instruction as to how to carry out the work. The LOG SOW will entail information and conditions for In and Out of Country repair contracts, Major Equipment and Accountable Advance Spares and must be read in conjunction with this instruction manual.

Maintenance: All action taken to retain materiel in a serviceable condition or to restore it to serviceability. It includes inspection, testing, servicing, calibration, classification as to serviceability, repair, rebuilding and reclamation.

Manual Stocktaking: A 100% physical count done by hand, worked by hand of all

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items held on AAS, GFOS, CRPA and RMA/RRMA, but not by means of automated equipment.

Material: All movable assets, excluding money and records, acquired by Her Majesty in right of Canada.

Material Master Record (MMR): A data record containing all the basic information required to manage a material. This data is sorted according to various criteria including data of a descriptive nature (such as size, dimension and weight) and data with a control function (such as material type and industry sector). In addition to this data, which can be directly maintained by the user, it also contains data that is automatically updated by the system (such as stock levels).

Maximum Repair Cost (MRC): The Maximum Repair Cost (MRC) is a standard established by DND to guard against the possibility of an item being repaired at a cost that exceeds its replacement value to DND. The MRC is the maximum amount including all labour, materiel costs, Sub-contracting work, shipping and administration fees that the contractor or DND repair facility is authorized to spend to repair an item. It is not the cost DND necessarily intends to pay for all repairs.

Minor Repair: Repair, which permits quick return to serviceability without extensive disassembly and that can be accomplished with few tools and little or no equipment.

Overhaul: The restoration of an item to its original condition/near life expectancy. It includes the replacement of worn, damaged or life expired parts, the incorporation of approved modifications, and the rework of components as necessary.

Out of Country Repair Section (OCRS): This section is responsible to track/process/account for all repairable materiel shipped to an R&O facility outside Canada, including Foreign Military Sale cases (FMS). The OCRS are located in Montreal and Edmonton Depots (25 or 7 CFSD).

Packaging: Application or use of appropriate wrappings, cushioning materials, interior containers and identification up to but not including shipping containers.

Packing: The application or use of shipping containers and the assembling or consolidation of items or packages therein, together with necessary blocking, bracing, cushioning, weather proofing, exterior strapping, and consignee address markings.

Plant: Is a place where either materials are produced, or goods and services are provided. Primary functions are as a reporting object and for inventory valuation. For example, at DND, Plants are defined as **Air Force: Plant 2000, Army: Plant 0002 Depots 3201**

Pre-Installation Failure (PIF): It is failure of new, newly repaired or overhauled equipment (R&O) which:

- Is found defective on receipt from DND inventory
- Has failed during pre-installation testing; or
- Has failed during initial installation trials.

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Procurement Authority (PA): The Procurement Authority is the Procurement/Contracting Officer/Clerk or RC Manager/Administrator who is delegated responsibility for some or all parts of the procurement process.

Procurement Authority List (PAL): This document is used when a SM wants to complete any amendment to the MSL/SNAPS. A PAL is a document used to add (add), modify (mod) or remove (SRR) a selection of one or many MMRs to a repair line (RMA/SLOC).

Quality Assurance: A system of activities whose purpose is to provide assurance that the quality control is in fact being done effectively. For a specific product or service, this involves verification, audits and the evaluation of the quality factors that affect the specification, production, inspection and distribution.

Quartermaster Transfer Order (QTO): Authorization to move an aircraft or major assembly

Receipts: Equipment spares or salvage received into an account.

Reconciliation: A method of correcting inaccurate balances in the NDHQ computer.

Recovery: Action taken to repossess materiel or to financially reimburse the Crown, in whole or in part, for the loss of or damage to materiel.

Repair: The identification and correction of those specific defects which degrade the performance of an item causing it to function below the specifications.

Repair(able) Equipment: "A" accountable equipment's/components that have received authorization for repair or overhaul IAW the Selection Notice and Priority Summary (SNAPS) for a Repair Materiel Account (RMA), or on approved Repairable Materiel Request (RMR) from the appropriate EPMs through R&O cell in DQA.

Repair and Overhaul: Materiel held by the CAF/DND must be maintained in a serviceable state to ensure that it is available to meet operational demands. While the responsibility for first-level and second-level repairs is vested within operating units and bases, third-level repairs (those repairs beyond the capabilities of units and bases) are administered by ADM(Mat) Equipment Program Management (EPM) and Equipment Program Support (EPS) divisions under the R & O program. The following distinction is made between repair and overhaul:

a. Repair. The maintenance of an item of equipment in order to return it to a serviceable condition.

b. Overhaul. The complete restoration of an item of equipment entailing replacement of both worn and damaged parts or parts whose service life has expired.

In general, repair normally involves the correction of specific defects. Overhaul is normally carried out after the expiry of the service life.

Repair and Overhaul (R&O) Facility: A Repair and Overhaul installation engaged in the repair or overhaul, modification or life extension of DND equipment. It may be a Canadian Armed Forces (CAF) repair establishment (known as in-house facility) or a commercial establishment (a firm holding current R&O contracts).

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Repairable Reserve (RR): Refers to repairable equipment retained in stored reserve for future requirements or pending the availability of repair facilities or disposal authorization.

Serviceable Condition: The condition of an equipment which allows it to be used, shipped or held in stores without being subjected to any limitations not applicable to new equipment.

Shelf Life: The length of time an item of supply can be stored under specified environmental conditions and continue to remain suitable for its intended use.

Shortage: In the stocktaking process, shortage is the quantity of materiel disclosed by count as being less than the quantity indicated on associated records.

Stop Repair Delete (SRD): A notice to a R&O facility, issued by DQA RO, to stop all R&O of equipment because there is no longer a need to maintain a repair pipeline, e.g., an item which will be repairable at base level only or an item which can be procured at a cost lower than the cost of repair.

Stop Repair Transfer (SRT): A notice to an R&O facility, issued by D Proc RO, to complete R&O of equipment currently in process and to re-route all subsequent equipment received to the new R&O facility selected for the work. This notification always carries the obligation on the part of the unsuccessful R&O facility to transfer the applicable spares.

Storage Location: Is an organizational unit that differentiates various stocks of a material within a Plant .For inventory purposes, a Storage Location identifies where parts or other inventory are stored for each unit (physically or virtually) .When parts are ordered, the Storage Location is automatically determined

Stores Removal Request: SRR is used by the SM to instruct personnel at a plant / storage location to move stock to a repair facility for repair, testing, modification, or re-work. This decision to move the stock to a repair facility is a result of funding becoming available or a change to requirements such as changes to planning and forecasting with customer demands, referrals, and a high priority request (HPR) or a contract award.

Supply Manager: A person who manages an inventory of materiel at the National Inventory Control Point (NICP). Duties consist of determining requirements for materiel and services, requisitioning materiel and services, distributing materiel, setting up or updating supply system Master Data Base (MDB) elements, taking cataloguing actions, disposing of excess or obsolete materiel and managing repairable materiel.

Surplus: In the stocktaking process, surplus is the quantity of materiel disclosed by count as being more than the quantity indicated on associated records.

Transaction Code (TCode): SAP Transaction code is a short cut key attached to a screen. Instead of using SAP easy access menu we can also navigate to a particular screen in SAP by entering the transaction code (T-code for short) in the command field of the standard toolbar.

Turnaround Time: For R&O purposes; the average number of calendar days it takes

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for a contractor to repair an item from the time the item arrives at the contractor until the time the repair is completed.

Unsatisfactory Condition Report (UCR): (Used by all environments) The electronic UCR captures Trouble Reporting data from Operations personnel, Qualified User Operators, Maintenance and Support Staff, specialist authorities, LCMM's and technical authorities in a structured relational database that is easily portable to other external systems and makes them visible and accountable to the Customer.

Work Order: A customer uses a work order to contract a supplier to produce a particular quantity of a product and to deliver that quantity by a particular date/time or by various dates/times to the customer.

Write-off: Approval of a deletion of materiel from inventory because of shortage, loss, theft or unauthorized destruction, and for which the full catalogue value has not been recovered.