

ARMY & AIR FORCE EXCHANGE SERVICE
SOLICITATION/PROPOSAL/AWARD
(MERCHANDISE, SUPPLIES, EQUIPMENT, AND/OR SERVICES)

ISSUING OFFICE ARMY & AIR FORCE EXCHANGE SERVICE ATTN: SD-V/C (JOHN WORDLAW) 3911 S. WALTON WALKER BLVD DALLAS, TX. 75236	CONTRACTING OFFICER JOHN WORDLAW	
	TELEPHONE NO. 214 312 3193	CONTRACT CONTROL NO. (If Applicable) NA
	ITEMS/SERVICE VISION CENTER - Davis-Monthan AFB, AZ	

SOLICITATION FOR PROPOSALS

DATE ISSUED 20 Jan 2012	SOLICITATION NUMBER SDVC-11-011-11-472
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Proposals are solicited for merchandise, supplies, equipment or services described in this solicitation. Written proposals must be received at the issuing office by 2:00 o'clock P m, local time 21 Feb 2012

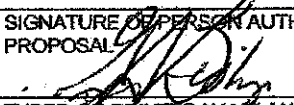
PROPOSAL (To Be Completed By Offeror)

The offeror agrees, if awarded all or part of the items and/or services solicited, to furnish them according to the price(s)/fee(s), terms and conditions contained in the solicitation and proposal. This proposal will be valid for _____ calendar days (60 calendar days unless a different period is entered by offeror) after the date for receipt of proposals established above.

OFFEROR REPRESENTS (Check appropriate boxes)

- That it is is not a manufacturer or producer of; is is not a regular dealer in; the items provided or (Commodity contracts only).
- That it is is not engaged in furnishing of services of the type called for herein (Service contracts only).
- That it operates as an Individual Partnership Corporation, incorporated in the States or Country of TEXAS
- That it is is not a small business.
- That it is is not a minority business enterprise. (See definition of page 2)*
- That it is is not a woman-owned business. (See definition of page 2)*
- That an owner or officer of the firm or the firm or a related firm has has not been convicted of a felony related to a business transaction.
- That an owner or officer of the firm or the firm or a related firm has has not been suspended or debarred.
- That the information provided is full, accurate and complete. For breach of this warranty. The Exchange may terminate for default any contract resulting from this solicitation and all other Exchange contracts.

*Check a block for all contracts to be performed in the United States, its possessions and Puerto Rico.

FULL NAME AND BUSINESS ADDRESS OF OFFEROR (STREET, CITY, STATE & ZIP CODE OR COUNTRY) <u>SUNLAND OPTICAL CO., INC.</u> <u>1156 BARRANCA DR.</u> <u>ELPASO, TEXAS 79935</u>	TELEPHONE NUMBER/FAX NUMBER/EMAIL ADDRESS <u>Tel (915) 591-9483 / FAX (915) 225-0698</u> <u>gbishop@sunlandoptical.com</u>	
	SIGNATURE OF PERSON AUTHORIZED TO SIGN PROPOSAL 	DATE <u>2-8-12</u>

TIN: <u>74-1667047</u>	DUNS: <u>05-425-4628</u>	TYPED OR PRINTED NAME AND TITLE <u>GORDON A. BISHOP, PRESIDENT/CEO</u>
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ACCEPTANCE AND AWARD (To Be Completed By the Exchange)

CONTRACT AWARDED FOR FOLLOWING:
Contract Period: 7 yrs; Fee: 21.70%; Fee Deposit: \$13,356
Vendor Code: 5726-2110
This contract is awarded subject to the offeror's Technical Proposal dated 21 February 2012 and Amendment #1 dated 14 February 2012, which are attached hereto and made a part of the contract.

CONTRACT NO. DMO 11-472	AMOUNT: <input checked="" type="checkbox"/> ESTIMATED \$5,170,116 <input type="checkbox"/> ACTUAL	DATE OF AWARD 06 June 2012
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SIGNATURE 	(TYPED NAME) JOHN WORDLAW CONTRACTING OFFICER ARMY & AIR FORCE EXCHANGE SERVICE
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INSTRUCTIONS TO OFFERORS AND
CONDITIONS OF PROPOSAL/AWARDS
(Merchandise, Supplies, Equipment and/or Services)

1. CONTENTS OF SOLICITATION/CONTRACT:

This solicitation and any resulting contract consists of EXCHANGE FORM 4450-2, Solicitation/Proposal/Award Merchandise, Supplies, Equipment and/or Services), pages 1 thru 4, and the following listed Schedule and Exhibits.

<input checked="" type="checkbox"/> Schedule, Solicitation No. SDVC-11-011-11-472	,page(s) 1	through 5
<input checked="" type="checkbox"/> Exhibit A, General Provisions (May 11)	,page(s) 1	through 10
<input checked="" type="checkbox"/> Exhibit B, Labor Provisions, Contract for Services (with SCA) - Nov 11	,page(s) 1	through 6
<input checked="" type="checkbox"/> Exhibit C, Special Provisions, Concession Contracts (Mar 11)	,page(s) 1	through 14
<input checked="" type="checkbox"/> Exhibit D, Price Schedule	,page(s) 1	through 6
<input checked="" type="checkbox"/> Exhibit E, Fee Schedule	,page(s) 1	through 1
<input checked="" type="checkbox"/> Exhibit F, Insurance Requirements	,page(s) 1	through 1
<input checked="" type="checkbox"/> Exhibit G, Concessionaire Furnished Equipment w/ 1 Attachment (1 page)	,page(s) 1	through 10
<input checked="" type="checkbox"/> Exhibit H, Operating Standards and Specifications w/4 Enclosures (4 pages)	,page(s) 1	through 16
<input checked="" type="checkbox"/> Exhibit I, Warranty and Refund Requirements w/2 Enclosures (2 pages)	,page(s) 1	through 4
<input checked="" type="checkbox"/> Exhibit J, AAFES-Furnished Equipment	,page(s) 1	through 1
<input checked="" type="checkbox"/> Exhibit K, DoL Wage Determination No. 2005-2025, Rev No. 13 dtd 06/13/2011	,page(s) 1	through 10
<input type="checkbox"/> Exhibit	,page(s)	through
<input type="checkbox"/> Exhibit	,page(s)	through

2. SUBMISSION OF PROPOSALS:

a. Offerors have been provided one complete copy of the solicitation as identified above, and two proposal packages. Each proposal package consists of EXCHANGE FORM 4450-2, Solicitation/Proposal/Award pages 1 thru 4, and the schedule or exhibits listed below. Also, for service contracts, a Financial and Technical Capability Data Sheet and a Projected Operation Statement are included if checked below.

<input checked="" type="checkbox"/> Financial and Technical Capability Data sheet, if checked.	<input checked="" type="checkbox"/> Operating Statement, if checked.
<input checked="" type="checkbox"/> Exhibit D ,page(s) 2	through 4
<input checked="" type="checkbox"/> Exhibit E ,page(s) 1	through 1
<input checked="" type="checkbox"/> Exhibit G ,page(s) 3	through 9
<input checked="" type="checkbox"/> Exhibit H ,page(s) 5	and 8

b. To make a proposal, complete, sign and return 4 proposal packages.

3. DEFINITIONS:

a. The term "minority business" means a business concern (1) which is at least 51 percent owned by minority group members; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more minority group members, and (2) whose management and daily business operations are controlled by one or more such minority group members. For purposes of this definition, minority group members include Black Americans, Hispanic Americans, Asian-Pacific Americans, Asian-Indian Americans, and Native Americans (such as American Indians, Eskimos, Aleuts and Native Hawaiians).

b. The term "women-owned business" means that is at least 51 percent owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

4. PROPOSAL PREPARATION:

- a. You are encouraged to contact the contracting officer if you have a question concerning this solicitation. Information about the solicitation furnished any prospective offeror will be furnished all prospective offerors.
- b. Furnish all information required by the solicitation on the forms provided. Failure to do so may result in the proposal being considered non-responsive and excluded from consideration for award.
- c. Erasures or changes must be initialed by the person signing the proposal.
- d. The person signing the proposal must have authority to obligate the firm contractually.
- e. Unless otherwise authorized by the solicitation, any alteration to the terms and conditions contained in the solicitation may render offeror's proposal non-responsive.

5. SUBMISSION - Proposals and modifications, if any, must be sent in a sealed envelope addressed to the issuing office with the offer's name (for identification only) and the solicitation number on the front. Telegraphic proposals will NOT be considered unless authorized in the solicitation; however, proposals may be modified by telegraphic notice provided it is received before the time and date set for receipt of proposals.

6. LATE PROPOSALS - The Exchange reserves the right to consider proposals or modifications received late, but before award is made, should such action be to the Exchange advantage.

7. WITHDRAWAL - Proposals may be withdrawn by written notice or telegram received at any time prior to award.

8. NO PROPOSAL - If you don't submit a proposal, DO NOT return the solicitation or proposal packages unless instructed to elsewhere in the solicitation. However, please send us a letter or postcard telling us if you're interested in receiving future solicitations for this type of items or services.

9. ELIGIBILITY OF PROPOSED CONTRACTOR (S):

a. Proposals for merchandise, supplies or equipment will not be considered for award unless submitted by manufacturers or producers of, prime sources, or regular dealers, in the items required.

b. Proposals for services will not be considered unless submitted by persons or firms who, currently or within the preceding six (6) years, have successfully owned, operated, or managed in a full time capacity, for over twelve consecutive months, a business identical or having similar technical and operational characteristics as the service solicited. The phrase operated or managed means the offeror has/had a direct involvement in the day-to-day operation of the business to include responsibility for employment, supervision, scheduling production/services, payroll, and purchasing. The monthly sales volume of the offeror's business must equal or exceed the estimated monthly sales of the proposed concession activity. The Exchange reserves the right to waive all or part of the qualification requirements in the event it is determined to be in the Exchange's best interests.

c. Proposals will not be considered if submitted by brokers, active duty military personnel or U.S. Government employees. This prohibition includes immediate family members of these personnel residing in the same household, unless approved before award of contract.

d. The offeror must have adequate resources to perform the resulting contract and, upon request, furnish proof of same to the contracting officer. The contracting officer may request a financial statement, a cost breakdown, a projected operating statement, or other data from any offeror. Failure to furnish the data requested within the time specified may cause a firm to be determined non-responsible. The Exchange further reserves the right to determine the responsibility of the offerors based on factors including but not limited to the offeror's financial resources, business capacity, performance record, integrity, management/business acumen, technical ability and facilities/equipment.

10. DISCOUNTS (Not applicable to procurements of edible meat, meat food products, dairy products, edible fats or oils, or concession services.) - Prompt payment discounts will be included in the evaluation of proposals provided the period of the offered discount is 20 days or more. Even if not evaluated for award, all discount terms offered will become a part of any resulting contract.

11. ACCEPTANCE AND AWARD

a. The Exchange reserves the right to reject any or all proposals, to waive or correct informalities and minor irregularities in proposals received, and to conduct further negotiations with any or all offerors.

b. Unless otherwise stated in the solicitation (and in the absence of any express limitation made by the offeror), the Exchange may accept all or any part of any proposal, without further negotiations. Proposals should therefore contain the offeror's most favorable terms. Any further negotiations undertaken will not constitute a rejection or counteroffer on the part of the Exchange.

c. When quantities for merchandise, supplies or equipment stated in the solicitation are estimated, the Exchange reserves the right to make an award on any item for the quantity less than the quantity proposed at the unit price offered unless the offeror's proposal specifies otherwise.

d. The Exchange plans to award a contract to the responsive, responsible offeror whose proposal is best for the Exchange, price/fee and other factors set out in the solicitation considered. The Exchange reserves the right to accept other than the lowest proposal, and to make multiple awards unless otherwise provided in the Schedule.

e. Contracting Officer will award the contract by completing the "ACCEPTANCE AND AWARD" block on page 1, signing the contract, obtaining any approvals required by the Exchange directives, and mailing or otherwise furnishing the successful offeror a copy of the completed contract within the time allowed for acceptance of the offeror.

12. INCONSISTENCIES - In the event of an inconsistency between the provisions of this solicitation, the inconsistency will be resolved by giving precedence in the following order: (a) the Schedule; (b) Instructions to Offerors and Conditions of Proposals/Awards; (c) General Provisions; (d) Other provisions of the contract whether incorporated by reference or otherwise; (e) the Specifications; and (f) the Drawings.

13. CERTIFICATE OF INDEPENDENT PROPOSAL DETERMINATION - Offeror certifies that this proposal or any change thereto is made without consultation, communication, or agreement, for the purpose of restricting competition or manipulating awards, and this proposal has not been disclosed and will not be disclosed prior to award.

14. PROPRIETARY INFORMATION - The Exchange will not be bound by any language in any offer purporting to limit the Exchange's right to use or disclose any offer or any part of an offer because of proprietary information in it, unless the contracting officer specifically agrees in writing to such limitations.

15. TAXPAYER IDENTIFYING NUMBER (TIN) - The 9-digit TIN is an identifier required of all individuals and businesses that file tax returns in the United States. For individuals eligible for a social security number (SSN), the SSN assigned by the Social Security Administration serves as the TIN. For resident or non-resident aliens ineligible for a SSN, the individual taxpayer identification number (ITIN) assigned by the IRS serves as the TIN. The Employer Identification Number (EIN) assigned by the IRS serves as the TIN for businesses and entities other than individuals. Failure to provide the TIN may result in a proposal being found non-responsive and not further considered for award.

ARMY AND AIR FORCE
EXCHANGE SERVICE

AMENDMENT OF
SOLICITATION/CONTRACT (AGREEMENT)

1. AMENDMENT OF: SOLICITATION CONTRACT (AGREEMENT)

SOLICITATION/CONTRACT NUMBER SDVC-11-011-11-472	AMENDMENT NUMBER One (1)	CONTRACT CONTROL NO. (If Applicable) N/A
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2. IF A SOLICITATION AMENDMENT

Refer to Section I "Instructions to Offerors" on reverse of this form and the following as indicated:

a. The time and date specified for receipt of proposals is:

Not extended

Extended until (local time at place of receipt of proposals)

Hour _____ Date _____ M, _____

b. The above solicitation is modified as set forth in Block 4 below.

3. IF A CONTRACT AMENDMENT

Refer to section II "Instructions to Contractors" on reverse of this form and the following as indicated:

a. The expiration date of the above CONTRACT is changed:

FROM _____ TO _____

b. The above CONTRACT is:

Not further modified.

Modified as set forth in Block 4 below.

4. DESCRIPTION OF AMENDMENT.

a. The following are responses to questions from offerors and is hereby incorporated into the solicitation:

1. What is the current fee that is being paid?
Response: The current fee is 18.93%
2. Can we get a copy of the current demographics?
Response: Total demographics to include Guard & Reserve is 52,652.

b. Schedule, consisting of five (5) pages, is hereby deleted in its entirety and replaced with Schedule, which is Attachment Number One (1) to this amendment consisting of five (5) pages. Changes made to paragraph five (5) and six (6) of the Schedule.

//////////////////////////////////////LAST ITEM//////////////////////////////////////

IN ALL OTHER RESPECTS, THE TERMS AND CONDITIONS OF THE SOLICITATION/CONTRACT, AS AMENDED, REMAIN IN FULL FORCE AND EFFECT.

SIGNATURES

5. NAME AND ADDRESS OF OFFEROR/CONTRACTOR
(Street, City, County, State, and Zip Code)

6. ISSUED BY

Army & Air Force Exchange Service
Attn: SD-V/C (J. WORDLAW)
3911 S. Walton Walker Blvd.
Dallas, TX 75236

SIGNATURE OF PERSON AUTHORIZED TO SIGN

DATE

SIGNATURE OF CONTRACTING OFFICER

DATE

TYPED OR PRINTED NAME AND TITLE

TYPED OR PRINTED NAME OF CONTRACTING OFFICER

MARK MUSGRAVE CFO

JOHN WORDLAW

SECTION I

Instructions to Offerors – Amendment of Solicitation. The following instructions apply unless specified otherwise in an Exchange letter accompanying this amendment.

a. Offerors must acknowledge receipt of this amendment prior to the hour and date specified for receipt of proposals in the original solicitation, or the hour and date specified in this amendment if such has been amended. Offeror must acknowledge by one of the following means:

- (1) By signing and returning all except one copy of this amendment.
- (2) By acknowledging receipt of this amendment on each copy of the proposal submitted;
- (3) By separate letter or telegram which includes a reference to the solicitation and amendment number.

b. Proposals must be based upon and refer to the solicitation as amended. Unless an acknowledgment of this amendment is received by the contracting officer before the hour and date specified for receipt of proposals, offeror's proposal may be considered nonresponsive.

c. If you desire to revise a proposal previously submitted, such revision must be received prior to the hour and date specified for receipt of proposals enclosed in a sealed envelope addressed to the issuing office, with the name and address of the offeror and the solicitation number on the face of the envelope. Telegraphic proposals will not be considered unless authorized by the solicitation; however, proposals may be modified by telegraphic notice provided such notice is received prior to the time set for receipt of proposals. Telegraphic modifications should not reveal the amount of the original or of the revised proposal.

SECTION II

Instructions to Contractor – Amendment of Contract.

Unless otherwise instructed, all except one copy of this amendment are to be executed by the person authorized to bind the firm contractually and returned to the contracting officer. The effective date will be the date the amendment is signed in block 6 by the contracting officer or the date(s) indicated in block 4, whichever is later.

SCHEDULE

1. **GENERAL.** Proposals are solicited to establish a contract for a Vision Center (optical shop and an optometry clinic) at Davis-Monthan AFB, AZ.

2. **#CONTRACT PERIOD.** The contract period is seven (7) years with performance beginning on 12 August 2012 and ending on 11 August 2019, unless sooner terminated in accordance with contract General Provisions. This contract may be extended by up to three (3) additional years, at the Army and Air Force Exchange Service's (The Exchange's) discretion. In deciding whether to extend the contract, the Exchange will consider whether it has a continuing need for this service and whether the contractor has met one of the following sales targets:

a. By the end of the contract's fourth (4th) year, monthly combined optical (excludes contact lens sales) and optometry sales for the previous 12-month period have increase 20% above the estimated monthly sales established below; or

b. By the end of the contract's fifth (5th) year, monthly combined optical (excludes contact lens sales) and optometry sales for the previous 12-month period have increase 25% above the estimated monthly sales established below.

In no event shall the total contract period exceed ten (10) years from date established above for commencement of service. Extension is not guaranteed and is at the sole discretion of the Exchange

3. **SALES DATA.** The total gross sales have averaged approximately \$ 61,549 per month (\$28,521 for optical services, \$25,521 for optometry services and \$7,507 for contact lens sales) for the 12-month period shown below. The Exchange makes no warranty, expressed or implied that the past sales will be realized. The level of actual sales may vary from these figures. The actual sales for each month of this period were:

Optical Services:	<u>Month/Year</u>	<u>Sales</u>	<u>Month/Year</u>	<u>Sales</u>
	09/11	\$ 27,176	03/11	\$ 28,259
	08/11	\$ 22,276	02/11	\$ 37,263
	07/11	\$ 22,833	01/11	\$ 26,378
	06/11	\$ 31,351	12/10	\$ 20,624
	05/11	\$ 32,861	11/10	\$ 26,425
	04/11	\$ 43,741	10/10	\$ 23,065

Optometry Services:	<u>Month/Year</u>	<u>Sales</u>	<u>Month/Year</u>	<u>Sales</u>
	09/11	\$ 17,495	03/11	\$ 22,398
	08/11	\$ 25,672	02/11	\$ 25,630
	07/11	\$ 29,282	01/11	\$ 21,525
	06/11	\$ 22,079	12/10	\$ 25,077
	05/11	\$ 35,008	11/10	\$ 22,466
	04/11	\$ 34,876	10/10	\$ 24,743

Contact Lens Sales:	<u>Month/Year</u>	<u>Sales</u>	<u>Month/Year</u>	<u>Sales</u>
	09/11	\$ 7,960	03/11	\$ 6,242
	08/11	\$ 8,732	02/11	\$ 8,746
	07/11	\$ 8,174	01/11	\$ 6,293
	06/11	\$ 8,086	12/10	\$ 6,887
	05/11	\$ 7,403	11/10	\$ 6,481
	04/11	\$ 8,323	10/10	\$ 6,755

4. **PRICES.** The prices for services to be performed and items to be sold are in Exhibit D, Price Schedule.

5. **#MEDICARE/ TRICARE/ ADDITIONAL INSURANCE.** Contractor shall ensure that each provider obtains a National Provider Identifier (NPI) and accepts the following insurances: MEDICARE, AETNA and all TRICARE

plans. Other insurances may be accepted. Each provider must be considered In-Network with all insurance companies and complete all required credentialing processes prior to commencement of the contract. In the event the contract is awarded within less than sixty (60) days prior to the contract commencement date listed in paragraph 2 above, the Contracting Officer may authorize the provider(s) up to an additional sixty (60) days grace period to obtain In-Network status.

6. FACILITY HOURS OF OPERATION.

a. Optical shop hours of operation: The location and posted operating hours for the optical shop are:

<u>Location</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
Building 2527	0900-1900	0900-1900	0900-1900	0900-1900	0900-1900	0900-1800	1100-1600

SPECIAL NOTE: The facility is scheduled to undergo renovations between late 2012 and early 2013.

#b. Optometry clinic hours of operation: The location and business operating hours for the optometry clinic are shown below. Optometry duty hours are a minimum of forty-eight (48) hours, six (6) days/week, with a minimum of six (6) of the hours coverage on Saturday. The commencement of optometry duty hours may be postponed by the Exchange should the award of this contract occur in less than thirty (30) days prior to the contract commencement date listed in paragraph 2 above. Based on the above, the Contracting Officer may authorize a grace period of up to thirty (30) days for the commencement of the optometrist duty hours only. All other optometry personnel and the clinic must be accessible to patients during all business hours to schedule appointments upon the contract commencement. A receptionist must be present at all times and neither the clinic nor the optical shop is to appear closed during optometry clinic business hours. Transfer of telephones, files, and merchandise to the Optical Shop is acceptable only if approved in state optometry laws and regulations. Patients must be able to contact the clinic and receive instructions on how to receive prompt treatment for after hour's emergency treatment.

<u>Location</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
Building 2527	0900-1900	0900-1900	0900-1900	0900-1900	0900-1900	0900-1800	1100-1600

7. EVALUATION AND AWARD. A contract will be awarded to the responsible offeror who is responsive to the solicitation and whose proposal is most advantageous to the Exchange. Proposals are evaluated on factors of technical merit and fee. Generally, technical merit ranks as the highest factor in this purchasing action, and is more important than fee; however, fee is also important in the evaluation process. As proposals become more equal in their technical merit, the evaluated fee may be considered as the determining factor for award. The Exchange reserves the right to award a contract to other than the high technical offeror when determined to be in the best interest of the Exchange. If an offeror has a current vision center contract that is not demonstrating satisfactory performance, the Exchange may decline offeror being considered for this contract.

8. ALTERATIONS. The following alterations are made to the provisions of this solicitation/contract:

a. EXCHANGE FORM 4450- 002 (REV MAR 11), is revised to change the first paragraph of the "Proposal (To Be Completed Offeror)" block to read as follows:

"The offeror agrees, if awarded all or part of the items and/or services solicited, to furnish them according to the prices(s)/fees(s), terms and conditions contained in the solicitation and proposal. This proposal will be valid for 120 calendar days after the date for receipt of proposals established above."

b. The following is added to Exhibit A, Paragraph 6, Subcontracting: "Use of a subcontractor does not relieve the contractor of the responsibility for contract performance or the responsibility for adhering to all state opticianry and optometry laws and regulations."

c. Delete Exhibit A (General Provisions), Paragraph 8b, and replace with the following:

"This contract may be terminated in whole or in part by either party upon one hundred and fifty (150) days notice in writing to the other party."

d. The following is added to Exhibit C, Special Provisions, Paragraph 11, Signs, Identity and Décor Standards (JAN 05):

"c. Optometry clinic door requires the following additional signage:

(1) Doctor's name in accordance with State Optometry Laws and Regulations.

(2) After hours medical emergency procedures and after hours emergency contact number."

e. Exhibit C, Special Provisions, paragraph 13, Internal Controls, Subparagraph c, Electronic POS System, is deleted. The required systems are described in Exhibit G, Section IV, Computer Requirements.

f. Exhibit C, Special Provisions, paragraph 15, Fee Deposit and Payment, Subparagraph a. (2), is deleted and replaced with the following:

"(2). If the "estimated fee" is \$1,500 or more, contractor must deposit with the Exchange an amount equal to the "estimated fee" at contract award. The full amount of the actual fee for each monthly reporting period is then due no later than the 15th calendar day of the following month. The fee deposit will be refunded to the contractor within 30 calendar days of the expiration or termination of the contract, less any amount due the Exchange. No interest will accrue to contractor on the deposit while held by the Exchange."

g. The following is added to Exhibit C, Special Provisions, paragraph 17f, Concessionaire and Concessionaire Employees: "Casual business shirts, blouses, pants or skirts will be worn under the lab coats."

h. Exhibit C, Special Provisions, paragraph 5, Prohibited Activities (Feb 89), Subparagraph a., is deleted and replaced with the following:

"a. Concessionaire will not, in or about the premises of the military installation, engage in or permit gambling or the use of any device which savors gambling (such as punch cards or slot machines), engage in loan operations, or sell merchandise or services on credit unless otherwise provided for in the contract. Concessionaire is responsible for all deferred charges. Concessionaire will take no actions counter to the purpose of the contract or which have the effect of diverting sales from the concession activity to concessionaire's commercial business activities. Facilities will not be used for performance or support of other the Exchange contracts or commercial business activities."

i. Exhibit C, Special Provisions, paragraph 23, Price/Fee Revisions (FEB 89) is deleted in its entirety.

9. **TECHNICAL PROPOSAL.** Technical proposals must address the evaluation factors and subfactors set forth in this Schedule, Paragraph 10. The primary evaluation factors and subfactors are listed in descending or equal order of relative importance, but do not depict the actual weighted value assigned to each factor. Submissions must follow the outline provided in exactly the same order. The entire technical proposal will not exceed 100 pages. Attachments/Exhibits concerning stock assortments, personnel manuals and other procedures may be counted separately from the 100 page limit. At least one full copy, including all attachments/exhibits concerning stock assortment, personnel manuals and other procedures must be in hard-copy format. Additional copies must be in electronic format. The administrative criteria for technical proposals are:

a. All original text must be readable in Microsoft™ Word, 8½"X11" format, single-sided, single-spaced, 12-point Arial font, with at least 1" margins all around.

b. Spreadsheets must be produced in Microsoft™ Excel compatible format and be functional in the electronic format.

c. Other tables, charts, and third-party documentation may be in any format, type and size. Third-party generated documents (brochures, flyers, manuals, etc.) may be submitted in original form or reproduced and submitted using any readily available format.

10. **TECHNICAL PROPOSAL EVALUATION FACTORS.**

Primary Factor I – Management and Operations

A. Management Considerations: Offerors shall submit the following:

1. Details of the company training program(s) (to include that for the intended optometry provider) for all vision center personnel:
 - a. Training topics to be covered, must include ANSI Standards and Company Policies on Compliance.
 - b. Criteria to pass training, advantages, bonuses, and/or consequences.
 - c. Training incentives (i.e. reimbursement for professional fees or additional responsibilities or bonuses).
2. Sales goals and growth projections for this location:
 - a. Quantifiable numbers for each year of the contract for this specific location.
 - b. Plans to achieve sales goals and justify growth projections (include management/service philosophies).
3. Data outlining the frequency and type of contact with the optometry provider(s) and employees of vision center.
 - a. The intended frequency of in-person management visits.
 - b. Level of management conducting these visits.
 - c. What takes place at these visits (i.e., formal financial audits, inventory audits, contract review, etc.).

B. Operations: Staffing, Scheduling, and Operating Hours: The company may benefit from early coordination and communication with the intended provider(s) and other prospective key staff for this vision center.

1. Provide a start-up proposed typical workweek schedule/plan (staffing chart or comparable) of all projected optometry providers and staff. Include full-time and part-time providers, if applicable. Include:
 - a. Optometry provider hours (Patient time vs. breaks, lunches, and administrative time).
 - b. Plans to expand optometry hours or add additional providers.
 - c. Plan to identify qualified candidates and meet requirements by contract commencement.
 - d. Plan for initial validation of credentials for optometry provider(s) and a detailed explanation of credentials maintenance program after initial validation.
 - e. Plans for back-up coverage for planned and unplanned staffing absences for optometry provider and optical clinic.

The following subfactors are of equal importance:

2. Provide after hours patient treatment/management plan (emergency, after-hours, etc.).
3. Provide, for each job title, a corresponding job description including qualifications and assigned duties. Specifically identify:
 - a. Positions that may perform management functions and a listing of the functions.
 - b. Position that may authorize exchanges, refunds, warranty issues, and product complaints. Include a copy of any written policies concerning this attribute and how they are to be handled with your attachments/exhibits.

C. Other: Provide additional information on philosophy or plans for vision center management, operations, staffing and scheduling.

Primary Factor II – Pricing & Marketing

A. Product Pricing and Distribution: Offeror shall submit the following:

1. Wholesale and retail pricing structure for all products and services. (Include price proposals per Exhibit D, Sections II and III.)
2. Descriptions of products and service to be offered that are not contractually required (e.g. additional sports, safety, and or other specialty frames that are not in the Exchange Image complete-pair-package pricing, specialty eyewear such as goggles for water or snow skiing, helmet-eyewear combinations, specialized arc welding glasses, etc.).
3. Other information, company philosophy, or plans for intended products.

B. Marketing Considerations: Offeror shall submit the following:

1. Marketing initiatives and public awareness campaign for this vision center.
2. A highlight of an idea/initiative that would be unique to this specific location or unique solely to the company.

Primary Factor III - Quality Comprehensiveness and Suitability to Execute the Contract

A. Quality Comprehensiveness: Offeror shall submit the following:

1. General:
 - a. Projected or anticipated products and services for this location.
 - b. Policies or quality initiatives to ensure quality products and services offered for patients at this location.
 - c. Input regarding company-unique factors, especially in regards to additional beneficiary savings/value.
2. Facility:
 - a. All proposed furniture and fixtures as per Exhibit G.
 - b. Dimensional design layout for optometry clinic and optical shop consistent with the facility design standards as provided by the Exchange in the solicitation.
3. Insurance Plans and claims: The plan to accept and process various optometry insurance plans and claims. Details must include:
 - a. How claims will be processed and managed.
 - b. Where claims will be processed (local, corporate, etc.).
 - c. How long claim records are maintained.

B. Suitability to Execute the Contract: Provide company history and experience with Exchange/military beneficiaries or otherwise explain why the offer/company is uniquely suitable to execute this contract at this location.

C. Other: Submit any additional information the company deems pertinent which is above and beyond that listed above.

EXHIBIT A
GENERAL PROVISIONS
(MAY 11)

1. Legal Status (AUG 08)
2. Authority to Bind (NOV 95)
3. Procurement Integrity (NOV 95)
4. Oral Representations (JAN 94)
5. Modifications and Additions (MAY 04)
6. Subcontracting (JUN 94)
7. Assignment - Services (DEC 07)
8. Termination (JUN 94)
9. Permits, Licenses and Applicable Laws (JAN 94)
10. Indemnify and Hold Harmless (MAY 89)
11. Disputes (DEC 07)
12. Nonwaiver of Defaults (SEP 91)
13. Advertisements (AUG 08)
14. Examination of Records (AUG 08)
15. Contractor Personnel and Representatives (AUG 08)
16. Environmental Protection (AUG 09)
17. Contractor Liability - Services (MAY 04)
18. Drug-free Workplace (AUG 92)
19. Restrictions on Purchases of Foreign Goods (MAY 04)
20. Date Compliant (DEC 07)
21. Payment by Electronic Funds Transfer (OCT 98)
22. Choice of Law and Forum (DEC 07)
23. Privacy Act (DEC 07)
24. Payment Card Industry (PCI) Compliance (OCT 10)
25. Green Clause (AUG 09)
26. Performance (AUG 09)
27. Combating Trafficking in Persons (AUG 09)
28. Personal Identity Verification of Contractor Personnel (MAY 11)
29. UNSPSC Item Category Identifiers (AUG 09)
30. Army and Air Force Exchange Service Rights (Unlimited) (AUG 09)

GENERAL PROVISIONS

1. LEGAL STATUS (AUG 08).

The Army and Air Force Exchange Service (hereinafter and as known in commerce, the "Exchange"), including its activities, offices, and individual exchanges, is an integral part of the Departments of the Army and Air Force and an instrumentality of the United States Government. Exchange contracts are United States contracts; however, they do not obligate appropriated funds of the United States except for a judgment or compromise settlement in suits brought under the provisions of the Contract Disputes Act of 1978, as amended, in which event the Exchange will reimburse the U.S. Government. Exchange procurement policy is established by applicable directives and instructions promulgated by the Department of Defense. The Federal Acquisition Regulation (FAR) does not apply to the Exchange.

2. AUTHORITY TO BIND (NOV 95).

a. "Contracting Officer" means a person authorized by the Commander, Army and Air Force Exchange Service to execute and administer contracts, purchase orders, or other agreements on behalf of the Exchange. Only contracting officers may waive or change contract terms; impose additional contract requirements; issue cure, show-cause and termination notices; issue claims against contractors, and issue final decisions on contractor claims.

b. The contracting officer may authorize other Exchange and government officials to perform actions of an administrative nature, such as conducting inspections and audits; placing orders against existing contracts; forwarding requests for contract changes to the contracting officer; collecting contract payments, and processing routine documents. These officials are not contracting officers, as defined in a. above.

c. The Exchange has no obligation to recognize or accept waivers or changes to this contract that result from the actions of officials other than the contracting officer. The contracting officer may deny claims based on such actions. Contractors' should refer questions concerning the authority of other Exchange or government officials to the contracting officer.

3. PROCUREMENT INTEGRITY (NOV 95).

a. By submission of an offer or performance of this contract, the offeror or contractor certifies with respect to this Exchange purchase action:

(1) that no discussion, offer or promise of future employment or business opportunity has been or will be made to the Exchange civilian or military personnel who participated personally and substantially in the purchase action;

(2) that no offer, promise or gift of any gratuity, entertainment, money, or other thing of value has been or will be made to any Exchange civilian or military personnel or any other employee of the United States Government or member of their family or household;

(3) that no information proprietary to other offerors or other purchasing information (offeror list, prices offered, technical evaluations or rankings, etc.) is sought or obtained until it is available to the public under the Exchange procedures.

(4) that no person or selling agency has been employed or retained to secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except bona fide employees or bona fide established commercial selling agencies retained by the contractor for the purpose of securing business.

b. Contractor certifies that no gratuities (entertainment, gifts, money, kickbacks or other things of value) were or will be solicited or accepted by the contractor, or any person representing the contractor, from any subcontractor or person representing the subcontractor, for the purpose of obtaining or rewarding favorable treatment in connection with this contract or any subcontract under it.

c. Contractor will report in writing to the Director, Loss Prevention Division, any possible violation of this clause when the contractor has reasonable grounds to believe a violation may have occurred. The contractor shall cooperate fully with any federal agency investigation of a possible violation of this clause.

d. For breach of any of these certifications, the Exchange may terminate this contract for default and/or deduct from amounts due under this or other contracts, or charge contractor for, the total value of any contingent fee, gratuity or kickback or other loss to the Exchange arising out of the breach.

4. ORAL REPRESENTATIONS (JAN 94).

This contract represents the entire agreement of the parties. Any changes or amendments thereto may not be recognized by the Exchange unless committed to writing and incorporated by reference into the contract by the contracting officer.

5. MODIFICATIONS AND ADDITIONS (MAY 04).

a. Except as otherwise specifically provided in this contract, all changes, modifications, additions or deletions to this contract must be prepared in writing as formal amendments signed by both parties and approved in accordance with provisions of applicable regulations.

b. Unilateral Amendments: The contracting officer may make unilateral amendments to the contract to incorporate administrative changes, provided such changes are within the general scope of the contract.

6. SUBCONTRACTING (JUN 94).

Contractor shall not subcontract any part of the work to be performed without the prior written consent of the contracting officer. Any subcontractor used in connection with this contract is the agent of the contractor and not the agent of the Exchange.

7. ASSIGNMENT - SERVICES (DEC 97).

The Assignment of Claims Acts, 31 U.S.C. 3727 and 41 U.S.C. 15, are not applicable to amounts due under the Exchange contracts. Contractor may not assign its rights or delegate its obligations under this contract, and the Exchange will neither consent to, nor recognize, any purported assignment. Contractor may request permission from the contracting officer to have contract payments forwarded to a third party.

8. TERMINATION (JUN 94).

Relative to termination of this contract, it is mutually agreed:

a. This contract may be terminated in whole or in part by either party immediately upon written notice to the other party in the event of breach of this contract by the other party.

b. This contract may be terminated in whole or in part by either party upon thirty (30) days notice (ninety (90) days for vending contracts) in writing to the other party.

c. This contract is automatically terminated upon the dispatch of written notice to contractor in the event the exchange is inactivated or the installation at which the exchange is located is inactivated. If this contract covers services to be performed at various exchanges or installations and only one or more of the exchanges or installations is inactivated, then only that portion of the contract being performed at the inactivated exchange or installation is terminated.

9. PERMITS, LICENSES AND APPLICABLE LAWS (JAN 94).

Contractor warrants that all necessary permits and licenses have been obtained and that the merchandise, services, supplies, and/or equipment provided under this contract are in compliance with applicable laws.

10. INDEMNIFY AND HOLD HARMLESS (MAY 89).

a. Contractor will indemnify, hold harmless and defend the Exchange and all other agencies and Instrumentalities of the United States, their agents, representatives, employees and customers from any and all suits, judgments and claims, including those established by or pursuant to court decisions, to international agreements, or duly promulgated regulations of the United States Government, and all charges and expenses incident thereto which arise out of any of the following:

(1) The alleged or established violation or infringement of any patent, copyright or trademark rights asserted by any third party with regard to items or services provided by contractor;

(2) Loss, damage, or injury alleged or established to have arisen out of or in connection with items or services provided by contractor, unless such loss, damage, or injury was caused by or resulted solely from the acts or omissions of the Exchange, its agents, representatives, or employees;

(3) Any loss, damage, or injury alleged or established to have arisen out of or in connection with any other acts or omissions of the contractor.

b. The Exchange will give contractor notice and an opportunity to defend.

11. DISPUTES (DEC 07).

a. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

b. "Claim" as used in this clause means a written demand or written assertion by one of the contracting parties seeking the payment of money in a sum certain or other relief arising under or relating to this contract. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Contract Disputes Act.

c. A claim by the contractor shall be made in writing and submitted to the contracting officer for a written decision. A claim by the Exchange against the contractor shall be made by a written decision by the contracting officer.

d. For contractor claims exceeding \$100,000, the contractor shall submit with the claim a signed certification that:

- (1) The claim is made in good faith;
- (2) Supporting data are accurate and complete to the best of the contractor's knowledge and belief, and
- (3) The amount requested accurately reflects the contract adjustment for which the contractor believes the

Exchange is liable.

e. The claim must be executed by an individual with authority to bind the contractor.

f. The contracting officer will mail or otherwise furnish a written decision in response to a contractor claim, within the time periods specified by law. Such decision will be final and conclusive unless:

(1) Within 90 calendar days from the date of contractor's receipt of the final decision the contractor appeals the decision to the Armed Services Board of Contract appeals (ASBCA), or

(2) Within 12 months from the date of contractor's receipt of the final decision the contractor brings an action in the United States Court of Federal Claims.

g. Pending final resolution on any request for relief, claim, appeal, or action arising under or relating to this contract, contractor will proceed diligently with the performance of this contract and will comply with the contracting officer's decisions.

h. Submission of false claims to the Exchange is a violation of federal law and may result in civil and/or criminal penalties. If contractor cannot support all or part of its claim as a result of fraud or misrepresentation of fact, then in addition to other remedies or penalties provided for by law, contractor will pay the Exchange an amount equal to the unsupported part of the claim and all the Exchange's costs attributable to reviewing that part of the claim.

12. NONWAIVER OF DEFAULTS (SEP 91).

Any failure by the Exchange at any time to enforce or require strict performance of any terms or conditions shall not constitute waiver thereof, and shall not affect or impair such terms or conditions in any way or the Exchange's right at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

13. ADVERTISEMENTS (AUG 08).

Contractor will not represent in any manner, expressly or by implication, that products purchased under this contract are approved or endorsed by any element of the United States, including the Exchange. All contractor advertisements that refer to the Exchange or military exchanges will contain a statement that the advertisement was neither paid for nor sponsored, in whole, or in part, by the Exchange, the military exchange system, or the United States Government.

14. EXAMINATION OF RECORDS (AUG 08).

a. This clause applies if the amount of the contract exceeds \$10,000 and the contract was entered into by means of negotiation. The contractor agrees that the contracting officer or his duly authorized representative will have the right to examine and audit the books and records of the contractor directly pertaining to the contract during the period of the contract and until the expiration of three years after the final payment under the contract. The contractor agrees to include this clause in all subcontracts that exceed \$10,000.

b. "General Accountability Office" may be substituted for "contracting officer or his duly authorized representative" when the prospective contractor does not accept the standard wording of the examination clause.

c. Contracts awarded to foreign contractors may exclude the examination clause when its use is precluded by the laws of the country involved, subject to the approval of the servicing Exchange General Counsel (Exchange HQ and Exchange Europe). Contract files will be in such circumstances be documented to show the basis for exclusion of the clause.

15. CONTRACTOR PERSONNEL AND REPRESENTATIVES (AUG 08).

a. The contractor will discontinue using any individual in Exchange facilities upon contracting officer's written notice that the individual is not acceptable for performance under this contract. Contractor will not use any such person to perform other Exchange contracts without the prior written consent of the contracting officer.

b. The contractor will not employ any individual to work in Exchange facilities whom an Exchange contracting officer has determined unacceptable under any other Exchange contract without the prior written consent of the contracting officer.

c. Contractor personnel will abide by applicable regulations and directives and conduct themselves so as not to reflect discredit on the Exchange.

d. Contractor will not represent himself/herself to be an agent or representative of the Exchange, another instrumentality, or an agency of the United States.

16. ENVIRONMENTAL PROTECTION (AUG 09).

a. This clause shall apply to any contract in excess of \$100,000, and indefinite quantity contracts estimated to exceed

\$100,000 in one year; however, it shall not apply to use of facilities located outside the United States.

b. Unless this contract is exempt, by acceptance of this contract, contractor (and, where appropriate, subcontractor) stipulates:

(1) that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the EPA List of Violating Facilities as of the date of contract award;

(2) its agreement to comply with all requirements of Section 114 of the Air Act and Section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in sections 114 and 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder;

(3) that as a condition of award of contract, contractor shall promptly notify the contracting officer of the receipt of any communication from the Director, Office of Federal Activities, U.S. Environmental Protection Agency, or delegatee, indicating that a facility to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities;

(4) its agreement to include the criteria and requirements in subparagraphs (1) through (4) in every nonexempt subcontract, and to take such actions the Government may direct as a means of enforcing such provisions.

17. CONTRACTOR LIABILITY - SERVICES (MAY 04).

a. Except as set out specifically elsewhere in the contract, contractor will be liable for costs to the Exchange and/or other agencies of the United States associated with termination for default as follows:

(1) Incidental damages, including expenses reasonably incurred in connection with repurchase of the service and any other reasonable expense incident to the breach.

(2) Consequential damages including, but not limited to, lost fees resulting from lapses in service, unscheduled facility closures, sales declines, lower fees received on repurchase, and injury to person or property proximately resulting from any breach of warranty.

b. Contractor will not be liable for incidental or consequential damages if the failure to perform arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor. In such case contractor must provide prompt written notice to the contracting officer; the contracting officer, at his option may accept late, partial or substituted performance, or may terminate the contract in whole or in part effective immediately upon receipt of written notice by contractor.

18. DRUG-FREE WORKPLACE (AUG 92).

Contractor agrees to make a good faith effort to establish and maintain a drug-free workplace in connection with the performance of this contract. Consistent with the size and organization of its work force, contractor may wish to consider taking the following or other appropriate actions in establishing a drug-free workplace: publicizing a drug-free workplace policy, initiating an employee drug awareness program or encouraging participation in existing community/installation programs and informing employees of the general availability of drug counseling programs.

19. RESTRICTIONS ON PURCHASES OF FOREIGN GOODS (MAY 04).

a. Contractor will not acquire for use in the performance of this contract any merchandise, equipment, supplies or services originating from, processed in, or transported from or through, the countries prohibited from commerce by the United States Government. This restriction includes merchandise, equipment, supplies or services from any other country that is restricted by law, regulation or executive order at any time during performance of the contract. A current list of prohibited countries is available at <http://www.ustreas.gov/offices/enforcement/ofac/>.

b. Contractor agrees to insert the provisions of this clause, including this paragraph, in its subcontracts.

20. DATE COMPLIANT (DEC 07).

a. Contractor warrants that all information technology (software, hardware, micro-code, firmware, etc.) supplied under the contract are able to accurately and efficiently process date and time data including, but not limited to, calculating, comparing, and sequencing date and time data from, into, and between the twentieth and twenty-first centuries, and leap year calculations through at least 31 December 2101. The supplied information technology when used in combination with other information technology will accurately and efficiently process date and time data if the other information technology properly exchanges date and time data. No human intervention is needed to invoke the date compliance (i.e. rebooting the hardware or restarting the software). The information technology methods to be date compliant must run fault free (no abnormal exiting applications and error free results) and be transparent to the user.

b. If the Information Technology supplied under this contract relies on other Information Technology to accurately and efficiently process date and time data then the contractor must disclose this reliance before entering into any agreement or allowing any contract addition or substitution (as may be authorized by the contracting officer).

21. PAYMENT BY ELECTRONIC FUNDS TRANSFER (OCT 98).

The following will apply for all payments made by the Exchange to the Contractor under the terms of this contract.

a. Method of payment:

(1) All payments by the Exchange under this contract shall be made by electronic funds transfer (EFT). The term "EFT" refers to the funds transfer and may also include the payment information transfer.

(2) If the Exchange is unable to release payment by EFT, the Contractor agrees to either

(i) accept payment by check or some other mutually agreeable method of payment, or

(ii) request the Exchange to extend the payment due date until such time as the Exchange can make payment by EFT.

b. The Exchange shall make payment to the Contractor using the EFT information provided by the Contractor to the Exchange. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the Exchange not less than thirty days prior to the effective date.

c. If the Contractor's EFT information in the Exchange database is incorrect the Exchange need not make payment to the Contractor under this contract until correct EFT information is entered into the Exchange database; and any invoice shall be deemed not to be a proper invoice for the purpose of prompt payment under this contract.

d. If the Contractor has identified multiple payment receiving points in the Exchange database, and the Contractor has not notified the Exchange of the payment receiving point applicable to this contract, the Exchange shall make payment to the first payment receiving point listed in the Exchange database.

e. The payment or disbursing office shall forward to the Contractor available payment information. The Exchange shall send the payment information to the remittance address contained in the Exchange database.

22. CHOICE OF LAW AND FORUM (DEC 07).

This contract shall be construed and interpreted in accordance with the laws of the United States of America as applied by, among others, the Armed Services Board of Contract Appeals and the United States Court of Federal Claims. By execution of this contract, the Contractor expressly agrees to waive any rights to invoke the jurisdiction of the national or state courts where this contract is performed and agrees to accept the exclusive jurisdiction of an appropriate US Federal administrative body or court.

23. PRIVACY ACT (DEC 07).

a. The Contractor agrees to –

(1) Comply with the Privacy Act of 1974 (the Act) and Department of Defense rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies --

a. The systems of records; and

b. The design, development, or operation work that the contractor is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and

(3) Include this clause, including this subparagraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

b. In the event of violations of the Act, a civil action may be brought against the Exchange when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an Exchange function, and criminal penalties may be imposed upon the officers or employees of the Exchange when the violation concerns the operation of a system of records on individuals to accomplish an Exchange function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an Exchange function, the Contractor is considered to be an employee of the Exchange.

c. "Operation of a system of records," as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records

d. "Record," as used in this clause, means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.

e. "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

f. The system or systems of records identified for this contract is/are:

The system of records refers to information collected, compiled, and/or utilized to build a customer database for potential and/or current/follow-on services. Instruments used to collect information in written or electronic formats include, but are not limited to, application for services, verification of credit rating, customer inquiries/comments, data for invoicing current customers, change of address notifications, information used for marketing purposes, etc.

g. Subcontracting/outsourcing customer data outside CONUS is not acceptable for DoD Operational Security (OPSEC) purposes.

24. PAYMENT CARD INDUSTRY (PCI) COMPLIANCE (OCT 10).

a. If payment cardholder data is processed via a contractor's processor or via an Exchange point of sale terminal or if card data is shared with contractors, subcontractors, merchants or service providers under the terms and conditions of this contract, the contractors, subcontractors, merchants and service providers must adhere to the most current version of the Payment Card Industry Data Security Standards (PCI DSS) requirements. These requirements are available at <https://www.pcisecuritystandards.org>.

b. The contractor acknowledges that each contractor, subcontractor, merchant and service provider with access to payment cardholder data is responsible for the security of the cardholder data the provider possesses. The contractor will also include this clause in any subcontract that provides access to cardholder data.

c. The contractor will control any duplicate or store copies of payment card receipts in a locked cabinet or in a locked register or locked drawer. The contractor will use equipment that masks the card number on the customer's receipt per the PCI DSS. The contractor will develop and implement procedures for destruction of receipts based on PCI standards and applicable state law.

25. GREEN CLAUSE (AUG 09).

The Exchange encourages contractors/vendors to embrace, establish and promote environmentally "Green Initiatives". We look to the contractor to accomplish this by :

- a. Where possible utilize environmentally friendly products
- b. Where possible promote energy-efficiency and water conservation
- c. Where possible eliminate/reduce the production or generation of hazardous waste and the need for special material processing (including special handling, storage, treatment and disposal)

26. PERFORMANCE (AUG 09).

Contractor will perform in accordance with all contract provisions. The Exchange will make payments only for performance as promised including supplies delivered and accepted per product specification and free of defects, or services rendered that satisfy the contractual specifications and are accepted. Payments for milestones will be paid when the milestones have been achieved and accepted. Additional periods of performance (if any) will only be granted for performance at or above the contractual level. The contracting officer may exercise remedies in accordance with the provisions of this contract for poor performance, non-performance, or failure to meet the service level agreement established.

27. COMBATING TRAFFICKING IN PERSONS (AUG 09).

a. *Definitions.* As used in this clause—

"Coercion" means—

- (1) Threats of serious harm to or physical restraint against any person;
- (2) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or
- (3) The abuse or threatened abuse of the legal process.
- (4) Withholding any documents (e.g. passports, visas, IDs, etc.) that prevents or restricts the person to move freely.

"Commercial sex act" means any sex act on account of which anything of value is given to or received by any person.

"Debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

“Employee” means an employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

“Forced labor” means knowingly providing or obtaining the labor or services of a person—

- (1) By threats of serious harm to, or physical restraint against, that person or another person;
- (2) By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or
- (3) By means of the abuse or threatened abuse of law or the legal process.

“Involuntary servitude” includes a condition of servitude induced by means of—

- (1) Any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint; or
- (2) The abuse or threatened abuse of the legal process.

Severe forms of trafficking in persons” means—

- (1) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- (2) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

“Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

b. Policy. The United States Government and the Army and Air Force Exchange Service has adopted a zero tolerance policy regarding trafficking in persons. Contractors and contractor employees shall not—

- (1) Engage in severe forms of trafficking in persons during the period of performance of the contract;
- (2) Procure commercial sex acts during the period of performance of the contract; or
- (3) Use forced labor in the performance of the contract.

c. Contractor requirements. The Contractor shall—

- (1) Notify its employees of—
 - (i) The United States Government's and the Army and Air Force Exchange Services' zero tolerance policy described in paragraph (b) of this clause; and
 - (ii) The actions that will be taken against employees for violations of this policy. Such actions may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and
- (2) Take appropriate action, up to and including termination, against employees or subcontractors that violate the policy in paragraph (b) of this clause.

d. Notification. The Contractor shall inform the Contracting Officer immediately of—

- (1) Any information it receives from any source (including host country law enforcement) that alleges a Contractor employee, subcontractor, or subcontractor employee has engaged in conduct that violates this policy; and
- (2) Any actions taken against Contractor employees, subcontractors, or subcontractor employees pursuant to this clause.

e. Remedies. In addition to other remedies available to the Army and Air Force Exchange Service, the Contractor's failure to comply with the requirements of paragraphs (c), (d), or (f) of this clause may result in—

- (1) Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;
- (2) Requiring the Contractor to terminate a subcontract;
- (3) Suspension of contract or fee payments;
- (4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Army and Air Force Exchange Service determined Contractor non-compliance;
- (5) Termination of the contract for default or cause, in accordance with the termination clause of this contract; or
- (6) Suspension or debarment.

f. Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (f), in all subcontracts.

g. Mitigating Factor. The Contracting Officer may consider whether the Contractor had a Trafficking in Persons awareness program at the time of the violation as a mitigating factor when determining remedies. Additional information about Trafficking in Persons and examples of awareness programs can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/g/tip>.

28. PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (MAY 11).

This clause is to provide guidance concerning compliance with Homeland Security Presidential Directive (HSPD) 12 and Policy for Common Identification Standard for Contractors and Subcontractors when contract performance requires routine physical access to a Federally controlled facility and/or routine access to a Federally controlled information

system. As processes and procedures could change over time, go to <http://www.shopmyexchange.com>, click on, “Doing Business”, click on “Authorization to Enter Military Installations” for the most up-to-date instructions. Questions should be directed to the Exchange HQ Chief of Staff, Force Protection (CS-FP) or your Contracting Officer.

a. After contract award and prior to performance on any Federal installation, the contractor shall comply with the local installation’s personal identity verification procedures identified by that installation which implements HSPD-12 policy for a Common Identification Standard for Federal Employees and Contractors.

(1) If the contractor employee is to work at only one site, the Exchange’s contractors must follow local installation guidelines and directives concerning identification, access, and security requirements. These guidelines may vary from one installation to another and it is the contractor’s responsibility to seek guidance concerning these issues from the Exchange Service Business Manager or General Manager.

(2) If the contractor or their employees will access sensitive data or go to multiple DoD or access to multiple non-DoD facilities on a recurring basis for a period of 6 months or more (CONUS or OCONUS), they must obtain a Common Access Card (CAC) and will be required to submit a clearance package to CS-FP, no less than 30 days in advance of needed access. Authorization must be received from CS-FP before contractors can be issued a CAC card. CAC card will be issued after a thorough background check which includes the completion of a FBI fingerprint check with favorable results and submission of a National Agency Check with inquiries to the Office of Personnel Management (OPM) or a DoD determined equivalent investigation, you will then be directed to the nearest military installation where the card can be obtained.

b. The contractor shall insert this clause in all subcontracts when the subcontractor is required to have routine physical access to a Federally controlled facility and/or routine access to a Federally-controlled information system.

c. The contractor is responsible for securing and returning to the issuing office all identification cards issued under these procedures

(1) for all employees at the end of the contract; and

(2) for individual employees no longer employed or no longer assigned to perform the Exchange contract.

d. As a reminder, any costs associated with the clearance process are the responsibility of the contractor.

29. UNSPSC ITEM CATEGORY IDENTIFIERS (AUG 09).

The vendor shall identify the contractor’s items by utilizing the United Nations Standard Products and Services Code (UNSPSC) system for categorizing products and services. UNSPSC code guidance can be found at: www.unspsc.org.

The UNSPSC product or service identifiers will be part of the originally proposed item descriptions along with subsequent replacement and or substitution items. The identifiers will be provided in a format which shall indicate the appropriate item category identifier along with sales transaction information required by the report.

The UNSPSC code has five levels, with each successive level supplying greater detail. These levels are identified as follows:

Level 1: SEGMENT

Level 2: FAMILY

Level 3: CLASS

Level 4: COMMODITY

Level 5: BUSINESS FUNCTION

For Example:

IT Items – UNSPSC Segment Identifier Number 43

All reported items should be coded following the guidance contained on the UNSPSC website. Each line item number can be code identified by the first four levels of the UNSPSC structure. The fifth level coding can be completed utilizing either ‘00’ or a business function code. Example: Notebook Computer – 42.17.18.01.00

For Exchange purposes, UNSPSC reporting of servers shall contain an additional identifier at the fifth level (Business Function) as follows:

Low-end (32-bit) 43.17.18.06.01

High-end (64-bit) 43.17.18.06.02

In situations where more than one UNSPSC code applies to a CLIN, the predominant item's UNSPSC will be reported. The code reported should be at least to level 3 (Class), and by the digits '00'. Example: Network Hardware (assorted) – 43.17.27.00.00.

UNSPSC Implementation – The Exchange will assist vendors in assigning UNSPSC codes when required. The UNSPSC codes assigned to transacted items should coincide with any such items incorporated where possible. The Exchange reserves the right to change or add item identifier format reporting as required.

30. ARMY AND AIR FORCE EXCHANGE SERVICE RIGHTS (UNLIMITED) (AUG 09).

If there are any deliverables under this contract or this contract is for consulting services, the following applies: The Exchange shall have unlimited rights, in all works (including drawings, designs, specifications, notes, data, information, reports, analysis, recommendations, or other products) developed in the performance of this contract. These Exchange rights include the right to use these works on any other Exchange contract or agreement or other efforts without additional compensation to the Contractor. The Contractor hereby grants to the Exchange a paid-up license throughout the world to all Exchange works to which he may assert or establish any claim for intellectual property derived from this Exchange contracted effort or products developed under this contract. The Contractor for a period of three years after completion of the project agrees to furnish the original or copies of all such works on the request of the Contracting Officer.

Contractor shall have no rights to use Exchange furnished data or information supplied to Contractor by the Exchange for other than this Exchange contract; it will be deemed Exchange Confidential Information and shall remain the Exchange sole property. All reports, analysis, and recommendations provided by Contractor pursuant to this contract will be and remain the sole property of the Exchange and the United States Government and may not be used on any other work by Contractor without Contracting Officer approval (e.g. including consideration or additional costs to the Exchange) and with respect thereto, the contractor agrees not to assert any proprietary or confidential rights and not to establish any claim for intellectual property.

The contractor agrees that duly authorized representatives of the Exchange will have access at all reasonable times to inspect and review all notes or other data pertaining to the work to be performed under this contract.

EXHIBIT B
LABOR PROVISIONS
Contract for Services (with SCA) – NOV 2011

1. EQUAL EMPLOYMENT OPPORTUNITY.

a. The contractor agrees to comply with regulations of the Department of Labor contained in 41, Code of Federal Regulations, 60, which are incorporated herein by reference.

b. A contract award in the amount of \$10,000,000 or more will not be made unless the contractor, and each first-tier subcontractor which will receive a subcontract of \$10,000,000 or more, are found on the basis of a review to be in compliance with the Equal Employment Opportunity regulations of the Department of Labor.

2. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.

(Applicable to contracts for services performed in the United States, any U.S. territory, or the District of Columbia.) The following clause is applicable to concession, agency, and vending machine contracts where the total gross receipts from sales or services under the contract will exceed \$2,500 and to management and direct service contracts where total payments to the contractor will exceed \$2,500. This contract to the extent that it is of the character to which the Contract Work Hours and Safety Standards Act, 40 USC 327, applies, is subject to all applicable provisions of the Act and the regulations of the Secretary of Labor thereunder (29 CFR 5).

a. Overtime Requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek to work in excess of 40 hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer or mechanic receives such compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such workweek.

b. Violation; liability for unpaid wages; liquidated damages: In the event of any violations of provisions of paragraph a., the contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be completed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph a. in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of his standard workweek of 40 hours without payment of the overtime wages required by paragraph a.

c. Withholding for unpaid wages and liquidated damages: The contracting officer may withhold from the contractor from any monies payable on account of work performed by the contractor or subcontractor such sums as may administratively be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph b.

d. Subcontracts: The contractor shall insert paragraphs a. through d. of this clause in all subcontracts and shall require their inclusion in all subcontracts of any tier.

e. Records: The contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for 3 years from the completion of the contract.

3. AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA.

If this contract equals or exceeds \$25,000, and is not otherwise exempt, the contractor agrees to comply with the regulations of the Department of Labor and the Office of Federal Contract Compliance Program, and the Affirmative Action clause as set out in 41 CFR Part 60-250, which are incorporated herein by reference

4. AFFIRMATIVE ACTION FOR INDIVIDUALS WITH DISABILITIES.

If the contract or the total of all orders issued during a calendar year equals or exceeds \$10,000 and is not otherwise exempt, the contractor agrees to comply with the regulations of the Department of Labor and the Affirmative Action clause as set forth in Title 41, Code of Federal Regulation, Part 60-741, which are incorporated herein by reference.

5. CONVICT LABOR (MAY 1989).

In connection with the performance of work under this contract, the contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 USC 4082(c)(2)) and Executive Order 11755, December 29, 1973, as amended by Executive Order 12608, September 9, 1987.

6. SERVICE CONTRACT ACT.

(Applicable to Contracts of \$2,500 or more.) Except to the extent that an exemption, variation or tolerance would apply if this were a contract in excess of \$2,500, the contractor and any subcontractor hereunder shall pay all of his employees engaged in performing work on the contract not less than the minimum wage specified under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended. Regulations and interpretations of the Service Contract Act of 1965, as amended, are contained in 29 CFR Part 4

7. SERVICE CONTRACT ACT OF 1965 AS AMENDED.

a. This contract is subject to the Service Contract Act of 1965, as amended (41 U.S.C. 351 et seq.) and is subject to the following

provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor issued thereunder (29 CFR Part 4).

b.

(1) Each service employee employed in the performance of this contract by the contractor or any subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor or authorized representative, as specified in any wage determination attached to this contract.

(2)

(a) If there is such a wage determination attached to this contract, the contracting officer shall require that any class of service employee which is not listed therein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in this section. (The information collection requirements contained in the following paragraphs of this section have been approved by the Office of Management and Budget under OMB control number 1215-0150.)

(b) Such conforming procedure shall be initiated by the contractor prior to the performance of contract work by such unlisted class of employee. A written report of the proposed conforming action, including information regarding the agreement or disagreement of the authorized representative of the employees involved or, where there is no authorized representative, the employees themselves, shall be submitted by the contractor to the contracting officer no later than 30 days after such unlisted class of employees performs any contract work. The contracting officer shall review the proposed action and promptly submit a report of the action, together with the agency's recommendation and all pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. The Wage and Hour Division will approve, modify, or disapprove the action or render a final determination in the event of disagreement within 30 days of receipt or will notify the contracting officer within 30 days of receipt that additional time is necessary.

(c) The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the contracting officer who shall promptly notify the contractor of the action taken. Each affected employee shall be furnished by the contractor with a written copy of such determination or it shall be posted as a part of the wage determination

(d)

(1) The process of establishing wage and fringe benefit rates that bear a reasonable relationship to those listed in a wage determination cannot be reduced to any single formula. The approach used may vary from wage determination to wage determination depending on the circumstances. Standard wage and salary administration practices which rank various job classifications by pay grade pursuant to point schemes or other job factors may, for example, be relied upon. Guidance may also be obtained from the way different jobs are rated under Federal pay systems (Federal Wage Board Pay System and the General Schedule) or from other wage determinations issued in the same locality. Basic to the establishment of any conformable wage rate(s) is the concept that a pay relationship should be maintained between job classifications based on the skill required and the duties performed.

(2) In the case of a contract modification, an exercise of an option or extension of an existing contract, or in any other case where a contractor succeeds a contract under which the classification in question was previously conformed pursuant to this section, a new conformed wage rate and fringe benefits may be assigned to such conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage determination. Where conforming actions are accomplished in accordance with this paragraph prior to the performance of contract work by the unlisted class of employees, the contractor shall advise the contracting officer of the action taken but the other procedures in paragraph b(2)(b) of this section need not be followed.

(3) No employee engaged in performing work on this contract shall in any event be paid less than the currently applicable minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(e) The wage rate and fringe benefits finally determined pursuant to paragraphs b(2)(a) and (b) of this section shall be paid to all employees performing in the classification from the first day on which contract work is performed by them in the classification. Failure to pay such unlisted employees the compensation agreed upon by the interested parties and/or finally determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract.

(f) Upon discovery of failure to comply with paragraphs b(2)(a) through (e) of this section, the Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be retroactive to the date such class of employees commenced contract work.

(3) If, as authorized pursuant to section 4(d) of the Service Contract Act of 1965 as amended, the term of this contract is more than 1 year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees shall be subject to adjustment after 1 year and not less often than once every 2 years, pursuant to wage determinations to be issued by the Wage and Hour Division, Employment Standards Administration of the Department of Labor as provided in such Act.

(a) Service Contract Act Price Adjustment. This applies to both contracts subject to area prevailing wage determinations and contracts subject to Contractor collective bargaining agreements.

(1) The Contractor warrants that the prices in this contract do not include any allowance for any contingency to cover increased costs for which adjustment is provided under this clause.

((2)) The contract price, contract unit price labor rates, or fixed hourly labor rates will be adjusted to reflect increases or decreases by the Contractor in wages and fringe benefits to the extent that these increases or decreases are made to comply with—

((a)) An increased or decreased wage determination applied to this contract by operation of law; or

((b)) An amendment to the Fair Labor Standards Act of 1938 that is enacted subsequent to award of this contract, affects the minimum wage, and becomes applicable to this contract under law.

((c)) Any such adjustment will be limited to increases or decreases in wages and fringe benefits as described in paragraph ((1)) of this clause, and to the accompanying increases or decreases in social security and unemployment taxes and workers' compensation insurance; it shall not otherwise include any amount for general and administrative costs, overhead, or profit.

((d)) The Contractor shall notify the Contracting Officer of any increase claimed under this clause within 30 days after the effective date of the wage change, unless this period is extended by the Contracting Officer in writing. The Contractor shall promptly notify the Contracting Officer of any decrease under this clause, but nothing in the clause shall preclude the Exchange from asserting a claim within the period permitted by law. The notice shall contain a statement of the amount and the change in fixed hourly rates (if this is a time-and-materials or labor-hour contract) claimed and any relevant supporting data that the Contracting Officer may reasonably require. Upon agreement of the parties, the contract price, contract unit price labor rates, or fixed hourly rates shall be modified in writing. The Contractor shall continue performance pending agreement on or determination of any such adjustment and its effective date.

((e)) The Contracting Officer or an authorized representative shall, until the expiration of 3 years after final payment under the contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor.

c. The contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined conformably thereto by furnishing any equivalent combinations of bona fide fringe benefits, or by making equivalent or differential payments in cash in accordance with the applicable rules set forth in Subpart D of 29 CFR Part 4, and not otherwise.

d.

(1) In the absence of a minimum wage attachment for this contract, neither the contractor nor any subcontractor under this contract shall pay any person performing work under the contract (regardless of whether they are service employees) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this provision shall relieve the contractor or any subcontractor of any other obligation under law or contract for the payment of a higher wage to any employee.

(2) If this contract succeeds a contract, subject to the Service Contract Act of 1965 as amended, under which substantially the same services were furnished in the same locality and service employees were paid wage and fringe benefits provided for in a collective bargaining agreement, in the absence of the minimum wage attachment for this contract setting forth such collectively bargained wages rates and fringe benefits, neither the contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work (regardless of whether or not such employee was employed under the predecessor contract), less than the wages and fringe benefits provided for in such collective bargaining agreements, to which such employee would have been entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the limitations of Section 4.1b(b) of 29 CFR Part 4 apply or unless the Secretary of Labor or his authorized representative finds, after a hearing as provided in Section 4.10 of 29 CFR Part 4 that the wages and/or fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a character similar in the locality, or determines, as provided in Section 4.11 of 29 CFR Part 4, that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's-length negotiations. Where it is found in accordance with the review procedures provided in 29 CFR 4.10 and/or 4.11 and Parts 6 and 8 that some or all of the wages and/or fringe benefits contained in a predecessor contractor's collective bargaining agreement are substantially at variance with those which prevail for services of a character similar in the locality, and/or that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's-length negotiations, the Department will issue a new or revised wage determination setting forth the applicable wage rates and fringe benefits. Such determination shall be made part of the contract or subcontract, in accordance with the decision of the Administrator, the Administrative Law Judge, or the Board of Service Contract Appeals, as the case may be, irrespective of whether such issuance occurs prior to or after the award of a contract or subcontract. 53 Comp. Gen. 401 (1973). In the case of a wage determination issued solely as a result of a finding of substantial variance, such determination shall be effective as a date of the final administrative decision.

e. The contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post the wage determination attached to this contract. The poster provided by the Department of Labor (Publication WH1313) shall be posted in a prominent and accessible place at the worksite. Failure to comply with this requirement is a violation of section 2(a)(4) of the Act and of this contract. (Approved by the Office of Management and Budget under OMB control number 1215-0150.)

f. The contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or

surroundings or under working conditions provided by or under the control or supervision of the contractor or subcontractor which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish these services, and the contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR Part 1925.

g.

(1) The contractor and each subcontractor performing work subject to the Act shall make and maintain for 3 years from the completion of the work records containing the information specified in paragraphs g.(1)(a) through (f) of this section for each employee subject to the Act and shall make them available for inspection and transcription by authorized representatives of the Wage and Hour Division, Employment Standards Administration of the U.S. Department of Labor. (Sections 7.g.(1)(a) through (d) approved by the Office of Management and Budget under OMB control number 1215-0017 and sections 7.g.(1)(e) and (f) approved under OMB control number 1215-0150):

(a) Name and address and social security number of each employee.

(b) The correct work classification or classifications, rate or rates of monetary wages paid and fringe benefits provided, rate or rates of fringe benefit payments in lieu thereof, and total daily and weekly compensation of each employee.

(c) The number of daily and weekly hours so worked by each employee.

(d) Any deductions, rebates, or refunds from the total daily and weekly compensation of each employee.

(e) A list of monetary wages and fringe benefits for those classes of service employees not included in the wage determination attached to this contract but for which such wage rates or fringe benefits have been determined by the interested parties or by the Administrator or authorized representative pursuant to the labor standards clause in paragraph b of this section. A copy of the report required by the clause in paragraph b.(2)(b) of this section shall be deemed to be such a list.

(f) Any list of the predecessor contractor's employees which had been furnished to the contractor pursuant to Section 4.6(1)(2).

(2) The contractor shall also make available a copy of this contract for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available such records for inspection and transcription shall be a violation of the regulations and this contract, and in the case of failure to produce such records, the contracting officer, upon direction of the Department of Labor and notification of the contractor, shall take action to cause suspension of any further payment or advance of funds until such violation ceases.

(4) The contractor shall permit authorized representatives of the Wage and Hour Division to conduct interviews with employees at the worksite during normal working hours.

h. The contractor shall unconditionally pay to each employee subject to the Act all wages due free and clear and without subsequent deduction (except as otherwise provided by law or Regulations, 29 CFR Part 4), rebate, or kickback on any account. Such payments shall be made no later than one pay period following the end of the regular pay period in which such wages were earned or accrued. A pay period under this Act may not be of any duration longer than semi-monthly.

i. The contracting officer shall withhold or cause to be withheld from the Exchange prime contractor under this or any other Government contract with the contractor such sums as an appropriate official of the Department of Labor requests or such sums as the contracting officer decides may be necessary to pay underpaid employees employed by the contractor or subcontractor. In the event of failure to pay any employees subject to the Act all or part of the wages or fringe benefits due under the Act, the agency may, after authorization or by direction of the Department of Labor and written notification to the contractor, take action to cause suspension of any further payment or advance of funds until such violations have ceased. Additionally, any failure to comply with the requirements of these clauses relating to the Service Contract Act of 1965, may be grounds for termination of the right to proceed with the contract work. In such event, the Exchange may enter into other contracts or agreements for completion of the work, charging the contractor in default with any additional cost.

j. The contractor agrees to insert these clauses in this section relating to the Service Contract Act of 1965 in all subcontracts subject to the Act. The term "contractor" as used in these clauses in any subcontract, shall be deemed to refer to the subcontractor, except in the term "Exchange prime contractor."

k.

(1) As used in these clauses, the term "service employee" means any person engaged in the performance of this contract other than any person employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in Part 541 of Title 29, Code of Federal Regulations, as of July 30, 1976, and any subsequent revision of those regulations. The term "service employee" includes all such persons regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such persons.

(2) The classes of service employees expected to be employed under this contract with the Exchange are identified on an attachment to these Labor Provisions. Such employees would be subject, if employed by the Exchange, to the pay scales established by the Exchange and would be paid not less than the wage rates and fringe benefits shown on the attachment.

l.

(1) If wages to be paid or fringe benefits to be furnished any service employees employed by the Exchange prime contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Exchange prime contractor shall report such fact to the contracting officer, together with full information as to the applicable and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance, such

agreements shall be reported promptly after negotiation thereof. (Approved by the Office of Management and Budget under OMB control number 1215-0150.)

(2) Not less than 10 days prior to completion of any contract being performed at a Federal facility where service employees may be retained in the performance of the succeeding contract and subject to a wage determination which contains vacations or other benefit provisions based upon length of service with a contractor (predecessor) or successor (Section 4.173 of Regulations, 29 CFR Part 4), the incumbent prime contractor shall furnish to the contracting officer a certified list of the names of all service employees on the contractor's or subcontractor's payroll during the last month of contract performance. Such list shall also contain anniversary dates of employment on the contract either with the current or predecessor contractors of each such service employee. The contracting officer shall turn over such list to the successor contractor at the commencement of the succeeding contract. (Approved by the Office of Management and Budget under OMB control number 1215-0150.)

m. Rulings and interpretations of the Service Contract Act of 1965, as amended, are contained in Regulations, 29 CFR Part 4.

n.

(1) By entering into this contract, the contractor (and officials thereof) certifies that neither it (nor he or she) nor any person or firm who has a substantial interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of the sanctions imposed pursuant to section 5 of the Act.

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract pursuant to section 5 of the Act.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

o. Notwithstanding any of the clauses in paragraphs b. through m. of this section relating to the Service Contract Act of 1965, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to section 4(b) of the Act prior to its amendment by Pub. L. 92-473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business:

(1) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical, or mental deficiency or injury may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act without diminishing any fringe benefits or cash payments in lieu thereof required under section 2(a)(2) of that Act, in accordance with the conditions and procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, in the regulations issued by the Administrator (29 CFR Parts 520, 521, 524, and 525).

(2) The Administrator will issue certificates under the Service Contract Act for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR Parts 520, 521, 524, and 525).

(3) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in Parts 525 and 528 of Title 29 of the Code of Federal Regulations.

p. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with a State Apprenticeship Agency which is recognized by the U.S. Department of Labor, or if no such recognized agency exists in a State, under a program registered with the Bureau of Apprenticeship and Training, Employment and Training Administration, U.S. Department of Labor. Any employee who is not registered as an apprentice in an approved program shall be paid the wage rate and fringe benefits contained in the applicable wage determination for the journeyman classification of work actually performed. The wage rates paid apprentices shall not be less than the wage rate for their level of progress set forth in the registered program, expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination. The allowable ratio of apprentices to journeymen employed on the contract work in any craft classification shall not be greater than the ratio permitted to the contractor as to his entire work force under the registered program.

q. An employee engaged in an occupation in which he or she customarily and regularly receives more than \$30 a month in tips may have the amount of tips credited by the employer against the minimum wage required by section 2(a)(1) or section 2(b)(1) of the Act in accordance with section 3(m) of the Fair Labor Standards Act and Regulations, 29 CFR Part 531: Provided, however, that the amount of such credit may not exceed \$2.13 per hour. To utilize this provision:

(1) The employer must inform tipped employees about this tip credit allowance before the credit is utilized;

(2) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employer elects to take a credit for tips received);

(3) The employer must be able to show by records that the employee receives at least the applicable Service Contract Act minimum wage through the combination of direct wages and tip credit (approved by the Office of Management and Budget under OMB control number 1215-0017);

(4) The use of such tip credit must have been permitted under any predecessor collective bargaining agreement applicable by virtue of section 4(c) of the Act.

r. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 4, 6, and 8. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

ARMY AND AIR FORCE EXCHANGE SERVICE**EMPLOYEE CLASSIFICATIONS**

This statement of equivalent the Exchange rates is required to be made by the Exchange in accordance with Section 2(a)(5) of the Service Contract Act, but a successful offeror under this solicitation is not required to pay the rates set forth on this page. The contractor is required to pay rates in accordance with any applicable currently effective wage determination from the Department of Labor made part of this contract. The following classes of service employees would be utilized by the Exchange if the activity were a direct operation of the Exchange.

INFORMATION ONLY

	<u>Job Classification</u>	<u>Hourly Wages</u>
Licen	sed Optician	No Prevailing Wages
D	ispensing Optician	\$11.56

FRINGE BENEFITS

Life, accident and health insurance, sick leave programs, and retirement are 29.09 percent of basic hourly rates.

Holidays: New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day.

Paid Vacation: 2 hours of annual leave each week for an employee of less than 3 years of service; 3 hours of annual leave each week for an employee with 3 but less than 15 years of service; 4 hours of annual leave each week for an employee with 15 or more years of service.

EXHIBIT C
SPECIAL PROVISIONS
Concession Contracts
(MARCH 2011)

1. Activity (MAR 90)
2. Facilities/Maintenance/Operating Hours (APR 05)
3. Equipment, Furniture, and Movable Trade Fixtures (MARCH 11)
4. Tools and Supplies (DEC 88)
5. Prohibited Activities (FEB 89)
6. Scope of Service/Minimum Quality (DEC 88)
7. License for the Exchange Trademarks (JAN 05)
8. Prices (MAY 99)
9. Authorized Customers (DEC 88)
10. Customer Complaints and Claims (DEC 88)
11. Signs, Identity and Décor Standards (JAN 05)
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SPECIAL PROVISIONS
Concession Contracts

1. ACTIVITY (MAR 90).

a. The Exchange grants concessionaire a nonexclusive concession to operate the activity described in the Schedule. The assignment of space for concession is a revocable license, not a tenancy.

b. The Exchange makes no warranty or representation, express or implied, that merchandise or services sold in the concession are free of competition. During the contract period, other activities may sell the same or similar merchandise or services. Such activities are: the Exchange, other Exchange concessionaires, military affiliated activities, firms selling without authorization or others. Any concessionaire complaint of competition from these activities must be written and must be provided to the military installation commander and the contracting officer. The Exchange may assist concessionaire in resolving its complaint. The Exchange will not be liable for any income, sales, profit or other losses of concessionaires attributed to competition.

c. If premises furnished by or through the Exchange are destroyed either in whole or in substantial part, so as to significantly hinder or prevent normal operations by concessionaire, by acts of God (such as, but not limited to, fire, flood, hurricane, unusually severe weather conditions) or unusual occurrence (unless solely and directly caused by the Exchange negligence), the Exchange will not be responsible to concessionaire for repair/restoration of the premises, lost income, sales, or lost profits, damage to concessionaire property, employee salaries, or any consequential costs incurred, or be obligated to relocate concessionaire. Concessionaire should consider obtaining business insurance to cover risks to its property and concession activity.

d. During the contract period, the contracting officer may require the concession to relocate to better meet the Exchange needs or those of the installation, as determined by the contracting officer. Concessionaire will be given advance notice. The Exchange will pay for moving and installing the Exchange furnished equipment and fixtures and hooking up utility lines. The Exchange will reimburse the reasonable cost of moving and installing concessionaire furnished equipment and fixtures. The Exchange will not be liable for lost income, profit and/or salaries associated with relocating.

2. FACILITIES/MAINTENANCE/OPERATING HOURS (APR 05).

a. Concessionaire investment for buildings and installed property or fixtures will not be required, unless otherwise specified in this contract. The Exchange will maintain Exchange furnished premises including ordinary running repairs and interior decorating. Concessionaire will be liable for damage to the premises resulting from acts or omissions of concessionaire, concessionaire's employees, or agents. The Exchange may inspect the premises at any time.

b. Concessionaire will keep the premises clean, orderly, secure, and sanitary. Concessionaire will comply with the installation/exchange fire, safety and security regulations and applicable health and sanitation and environmental protection regulations.

c. Concessionaire will do custodial maintenance on the exterior of the facility and grounds if a building is assigned for concessionaire's use. If the facility is shared with other concessionaires, exterior custodial maintenance will be assigned by exchange management. If the concession is located in an exchange complex and predominant tenancy is by the Exchange direct-operated activities, the Exchange will perform exterior custodial maintenance, except those tasks described in "d" below. The equipment and labor to perform exterior custodial maintenance assigned to the concessionaire will be at concessionaire's expense. Assigned exterior maintenance may include:

(1) Pick up all refuse daily within the assigned exterior areas.

(2) During the season, cut and trim the grass weekly within the assigned exterior areas.

(3) During the season, clear the snow, ice, slush and mud deposits from the sidewalks and walkways within the assigned exterior areas.

d. Concessionaire will, as needed, but at least daily, clean the entrance door, exterior of storefront windows, entranceway and customer walkways; empty and thoroughly clean all waste and smoking receptacles; and check exterior lighting. Exterior lighting failures will be promptly reported to the Exchange. In automotive activities, the service bay floors, equipment, and work benches will be cleaned daily.

e. Posted operating hours are those that will be displayed at the facility. However, each facility will be open for business at least 5 minutes before posted opening, and will remain open at least 5 minutes past posted closing, as in the following example:

POSTED Hours of Operation 1000 – 1800
 ACTUAL Hours of Operation 0955 - 1805

The term open for business means ready to serve the customer. Activities such as preparing cash registers and sales forms will be accomplished prior to actual opening. Facilities will be open for business at all times during scheduled operating hours. Hours of operation will generally conform to those of nearby exchange activities, and may be changed by written mutual agreement between the concessionaire and the general manager. If concessionaire and general manager cannot agree on changes to the hours of operation, the issue will be submitted to the contracting officer for resolution. Hours of operation for facilities not located near exchange activities are fixed and may only be changed by written amendment to the contract. If the nearby exchange is open on a holiday, the concession must also be open during the same hours. If the nearby exchange is closed on a holiday, the concession may also choose to remain closed.

3. EQUIPMENT, FURNITURE, AND MOVABLE TRADE FIXTURES (MARCH 11).

a. The Exchange Furnished: When there is Exchange Furnished Equipment, the following will apply. The item list, agreed value, and condition of equipment, furniture and trade fixtures furnished by the Exchange are stated in this contract. Concessionaire will sign a custody receipt for the items furnished. Repairs of and replacement parts for the Exchange furnished equipment, furniture, and fixtures will be provided by the Exchange, or at the Exchange's option, by concessionaire at the Exchange's cost. Concessionaire will perform routine preventive maintenance and keep the equipment, furniture, and fixtures clean, sanitary, and secure. Broken or malfunctioning equipment must be reported, in writing, to the Exchange General Manager or Services Business Manager immediately upon discovery. The Exchange will not be liable for concessionaire losses caused by malfunction of equipment. Exchange property will not be removed from the premises without the prior written approval of the contracting officer. Exchange property will only be used for this contract. The Exchange may inspect the Exchange furnished equipment, furniture, and fixtures at any time.

b. Concessionaire Furnished: Concessionaire will provide and install all the equipment, furniture and movable trade fixtures required by this contract. All concessionaire furnished property is subject to approval of the contracting officer. All electrical equipment will carry the Underwriters' Laboratories (UL) Seal of Approval. At the request of the contracting officer, and prior to the commencement date of services under this contract, concessionaire will give the contracting officer a typed list of all equipment, furniture and movable trade fixtures to be used for this contract. Each item will be identified by manufacturer, model name/number, serial number or concessionaire's fixed asset number, as appropriate. Concessionaire will not sell or remove any equipment, furniture or fixtures from the concession premises without the prior written approval of the contracting officer. Concessionaire will maintain and repair or replace, as necessary, all concessionaire furnished equipment, furniture and fixtures. Title to concessionaire furnished equipment, furniture and fixtures remains with the concessionaire. If Concessionaire uses leased equipment in the performance of the contract, concessionaire must notify the contracting officer of the name and address of the lessor. Concessionaire investment in equipment, furniture and fixtures for this contract is a business risk of the concessionaire. It is expressly understood and agreed that neither the Exchange nor any other agency or instrumentality of the United States is or will be liable to concessionaire for costs of concessionaire's investing in equipment, furniture or movable trade fixtures in the event of termination or expiration of this contract without extension.

4. TOOLS AND SUPPLIES (DEC 88).

Concessionaire will furnish tools of the trade and supplies required for this contract.

5. PROHIBITED ACTIVITIES (FEB 89).

a. Concessionaire will not, in or about the premises of the military installation, engage in or permit gambling or the use of any device which savors gambling (such as punch cards or slot machines), engage in loan operations, or sell merchandise or services on credit unless otherwise provided for in the contract. Contractor is responsible for all deferred charges. Concessionaire will take no actions counter to the purpose of the contract or which have the effect of diverting sales from the concession activity to concessionaire's commercial business activities. Facilities will not be used for performance or support of other the Exchange contracts or commercial business activities.

b. Concessionaire will not provide free merchandise or services except in conjunction with promotional programs approved by the contracting officer.

6. SCOPE OF SERVICE/MINIMUM QUALITY (DEC 88).

Concessionaire will only sell merchandise and services specifically set out in the Price Schedule exhibit of this contract. Items sold under this contract will be in good taste. Merchandise and services provided under this contract will be equal

to those provided by first quality commercial establishments.

7. LICENSE FOR EXCHANGE TRADEMARKS (JAN 05).

a. Should the concessionaire be granted permission to use an Exchange trademark, concessionaire agrees that it becomes a temporary licensee of such mark and warrants that it shall use the licensed mark only for the purposes of and pursuant to this Agreement. Concessionaire agrees that it has no claim, option, or other right whatsoever, direct or implied, to any like license for any geographic area or location other than the licensed location(s) in this Agreement.

b. Upon cancellation, termination or expiration of this Agreement, concessionaire shall immediately discontinue all use of the licensed mark and will be deemed to have automatically and irrevocably assigned any rights, equities, good will, titles or other rights in the mark which concessionaire may have obtained or had vested in pursuance of any endeavors under this Agreement. Any such assignment shall be without other consideration than the mutual covenants of this Agreement.

8. PRICES (MAY 99).

a. Articles stocked for sale will be individually price marked.

b. Concessionaire will only charge the prices established in the Price Schedule exhibit of this contract.

c. Where a state law imposes a sales tax on the sale of the item and/or service, the sales tax will be stated separately from the sales price, added to the price in the Price Schedule exhibit, and collected from the customer.

9. AUTHORIZED CUSTOMERS (DEC 88).

Concessionaire will sell service or merchandise only to personnel authorized to use the Exchange facilities.

Concessionaire will comply with the Exchange patron identification procedures.

10. CUSTOMER COMPLAINTS AND CLAIMS (DEC 88).

Concessionaire will adhere to the Exchange' policy of customer satisfaction guaranteed. All customer complaints and claims will be resolved at concessionaire's expense. Any disagreement that cannot be resolved between concessionaire and the customer will be decided by the contracting officer, whose decision will be final and not subject to the Disputes clause. If concessionaire fails to process complaints and claims timely, the Exchange may, in addition to other rights and remedies available under this contract, settle customer complaints and claims and charge them to concessionaire's account. Customer complaints or claims based on merchandise or services sold by a predecessor concessionaire will be referred to the contracting officer.

11. SIGNS, IDENTITY AND DÉCOR STANDARDS (JAN 05).

Concessionaire will post only those signs and décor items approved by the contracting officer.

a. The concessionaire will post all signs and décor items furnished by the Exchange, including, but not limited to, those that provide customer information and those that set identity and décor standards.

b. In the event the concessionaire owns and operates an existing business under a commercially recognized brand, they may request approval from the Exchange to use the recognized brand image, signing and store décor.

(1) All requests for approval of concessionaire furnished commercially recognized brand image, signing and store décor must be made in writing to the contracting officer and include sufficient detail to fully identify the proposed brand or image.

(2) Concessionaire will not take any action to implement or install the brand image until they receive written approval from the contracting officer.

(3) The decision of the contracting officer to accept or reject the concessionaire's proposed brand image is final and not subject to the disputes clause.

12. UTILITIES (APR 05).

a. The Exchange will pay for all utilities, to include heat, power, water, sewage service, and trash removal unless otherwise provided in the contract. The Exchange will not be liable for losses caused by interruptions of utility service.

b. Concessionaire will pay for connecting and disconnecting utilities to concessionaire furnished equipment.

c. Concessionaire will pay all costs for telephone service used in performance of this contract. The concessionaire will publish the phone number in all listings by identifying the type of business or the Exchange Corporate Identity, as applicable, followed by the installation name (i.e., Barber Shop, Hill AFB, or Stripes the Alterations Place, Hill AFB).

d. Concessionaire and concessionaire employees will comply with the Exchange energy conservation programs.

Concessionaire furnished equipment requiring utilities hookup will comply with the Exchange energy conservation

policy. Concessionaire furnished equipment determined by the contracting officer to be energy inefficient will be replaced with acceptable equipment at concessionaire's expense.

13. INTERNAL CONTROLS (JAN 05).

Concessionaire will keep a complete and accurate accounting of all transactions including, but not limited to, facility sales, route sales, organization sales, etc.

a. Cash Registers. The concessionaire will provide and maintain cash registers, either Electronic Cash Registers (ECR) or an Electronic POS System as required in the exhibit titled Concessionaire Furnished Equipment and as described below. Cash register procedures follow:

(1) Concessionaire will obtain the written approval of the exchange representative on Exchange Form 6550-27, Contractor's Cash Register Record, before a cash register is placed into or removed from service. The approval will document the information listed on Exchange Form 6550-27 and be signed by the exchange representative and the concessionaire. The concessionaire will immediately notify the exchange representative if a cash register becomes inoperative. Sales will be recorded on Exchange Form 6550-9, Customer Daily Sales Register, until the inoperative register is repaired or replaced. An Exchange Form 6550-27 must be completed when the inoperative register is removed from service and again before it is returned to service or replaced.

(2) All sales (cash, charge card or deposit) will be recorded on the cash register when the transaction is made. Service and merchandise sales will be recorded separately on the designated keys of the cash register. The customer will be given a cash register receipt for the sale.

(3) Refunds, overrings, void transactions and readings before and after test rings made for other than recording sales (e.g., repair) will be documented using the Concessionaire Cash Register Adjustment Voucher, Exchange Form 6550-24. If the contract requires a cash register with a sales form validation feature, the concessionaire will validate the adjustment vouchers. Attach one copy of completed vouchers, signed by the customer or repairman and concessionaire or concessionaire's designee, to the Z reading receipt tape submitted with the Concessionaire's Settlement Report, Exchange Form 6550-10. All other deductions from sales must be supported as required by the contracting officer.

(4) The concessionaire will X read cash registers daily at close of business. At the monthly cut-off, concessionaire will Z read the register and remove the register tape. Write the activity/branch number on the tape, Z read, then X read the register again to put the opening readings on the next month's tape. Submit Z reading receipt tapes for each settlement period with the Concessionaire Settlement Report, Exchange Form 6550-10, to the supporting exchange accounting office. Cash register journal tapes will be retained by the concessionaire for six (6) months.

(5) Only cash, checks, and other cash instruments received from sales, and established change and petty cash funds will be placed in cash registers. All cash register disbursements such as customer refunds or petty cash purchases must be supported by an appropriate refund or petty cash voucher.

b. Electronic Cash Register (ECR) - The ECR will be a general purpose unit for use in a small business environment. General Specifications:

(1) Key functions: The following key functions are required:

(a) Department Keys: A sufficient number of department keys to accommodate the number of services and/or different fee percentages is required by this contract.

(b) Numeric Keys: Includes 0-9 keys that are used in entering quantity, price and other values as required. Decimal point will be automatic where required.

(c) No Sale Key: Other than the emergency release feature, the no sale key must be the only key that opens the cash drawer when the machine is outside of a transaction. No other keys may be used in conjunction with the no sale key. The no sales feature must produce a transactional counter printout on the X and Z readout tapes.

(d) Refund Key: Used to refund a completed transaction. Must have separate resettable totalizer which will not subtract nor add to the non-resettable grand totalizer.

(e) Tax Key: A tax key programmable for various tax rates in accordance with the particular state law. Taxes must totalize on the X and Z readout tape. The register should provide for manual entry of tax amounts different than the programmed amount.

(f) Item Correct/Void Key: Used to void item operations within a transaction. Must have a separate resettable totalizer which will not subtract nor add to the non-resettable grand totalizer.

(g) Validation Key: A validation key and slip printer capability. Validation print will be on an item basis, not a transaction basis, printing only a single line of data on a single or multiple copy form.

(h) Other Keys: Other keys may be used as determined by the concessionaire. Registers with received-on-account, paid out, or other features that subtract from the department total and non-resettable grand totalizer must have those features blocked for non-use.

(2) Physical: The ECR may be unified or modular in design with overall uniform dimensions not to exceed 21" deep x 20" wide x 18" high. The cabinet will be made of durable molded plastic type material or other heavy duty construction that is stain resistant and easy to clean with general purpose household cleaners. All hinges, locks, latches, mounting brackets and other cabinet hardware will be constructed of metal or other equally durable material that is rust resistant and designed for heavy daily use. The register will be designed to insure that miscellaneous items such as paper clips, metal staples, coins and etc. cannot accidentally enter or fall into the register.

(3) Cash Drawer: The cash drawer will be of heavy duty construction designed for constant daily use. It will have an emergency release mechanism preferably located under the drawer. The ECR must have a closed drawer feature to prevent register operation unless the drawer is closed and fully latched.

(4) Keyboard: The keyboard shall be the basic mode of information entry. It shall consist of 10-numeric value keys arranged in standard adding machine configuration, functional keys as required to perform all cash register functions and transaction keys to perform all required cash register transactions. An audible tone will sound when a key is depressed or an error is made.

(5) Displays: Operator and customer displays are required. Both will be large, easy to read panels having a minimum character height of 1/2 inch. It will display a minimum of 8 numeric values and required transaction indicators. The customer display must be viewable by customers at all times.

(6) Printer Tapes: Must print a Customer Receipt Tape and a Journal Tape.

(a) Customer Receipt Tape will print header, proper descriptors (including department number) next to amounts and the date. Receipt print shall be legible and self-explanatory and be identified with a cash register number and a transaction number.

(b) Journal Tape will contain the date, each transaction total, no sales, voids, refunds, X and Z readings and a non-resettable customer or transaction counter printed on it. It shall be legible and self-explanatory. Changing of receipt and journal tape will not require removal of any part of the print mechanism or electroplate.

(c) ECRs will have a Customer Receipt and Journal Tape (two station) alpha/numeric dot matrix printer units. Unified ECRs will have a "fixed" self-contained, 2-station printer unit with either a drum or alpha/numeric, dot matrix print element.

(d) The 2-station printer receipt and journal paper will be single-ply rolls having identical dimensions to allow one size roll to fit both printers. Paper will be either 38MM or 44MM wide. The receipt and journal will space and feed paper independent of the other.

(e) The journal tape will be automatically rolled and stored in a compartment

(7) Grand Totalizer: Must have a non-resettable grand totalizer, non-resettable Z reset counter and non-resettable transaction counter. It must produce an X and Z readout tape totaling each/all functions of the register. The non-resettable grand totalizer and Z reset counter need not print on the X tape. The Z readout, after initial printing, must clear all totals except the three non-resettable totalizers.

(8) Electronic Memory Unit: Will identify by letter abbreviation or numerical identification department numbers, total, change, amount tendered, X and Z operations and any other salient features of the ECR.

(9) Totals and Counters:

(a) The register shall have the capability to total all departments with each having a separate total that accumulates net sales, i.e., sales minus refunds and voids.

(b) Grand Totals: The grand total shall be the result of accumulating gross sales data unaffected by refund and void key entries, i.e., it shall not be decreased by refund and void key transactions. The grand total will be non-resettable, nine-digit capacity and will print on the receipt and journal when read (X read operation).

(c) Counters: All counters will be four-digit capacity and non-resettable providing a continuous count for customers or transactions.

(10) Power Requirements: The equipment will have a factory installed, internal power supply that is designed to operate using the commercially available power within the Exchange facility.

(11) Memory Protection: The register will be fully operational after power interruptions or outages without any loss of programming parameters or accumulated totals for a minimum of 125 hours. Register with operating memory on/off switch is not acceptable.

c. Electronic POS System. Offerors who have not previously obtained the Exchange approval of their Electronic POS System must send a request to the contracting officer with adequate information demonstrating the capabilities of the system and its compatibility with paragraph 13, Internal Controls, of Exhibit C, Special Provisions. If the request is not approved, offerors must provide the Electronic Cash Register as identified in paragraph 13.b. above. When an Electronic POS System is approved in writing by the Contracting Officer, the requirements of 13.a.(3) and 13.a.(4) above are not waived. However, in lieu of Exchange Form 6650-24, Concessionaire Cash Register Adjustment Voucher, the

concessionaire may use a printed POS form completed in accordance with paragraph 13.a.(3). The requirements of paragraph 13.a.(4) are waived only if the POS system has an electronic journal tape. All other requirements of this Special Provision still apply. Concessionaire must supply all documents described in their approved system procedures with each settlement report. Modifications of the approved procedures and reports will require written approval of the Contracting Officer prior to implementation.

d. Forms. The following procedures apply if customer property is accepted for servicing, a deposit is collected, an item is rented, an item is sold on layaway, an item is purchased to be delivered, or an item is ordered for customers.

(1) Concessionaire will provide prenumbered claim tickets, work orders, sales forms, or order forms as appropriate, acceptable to the contracting officer. Forms will list concessionaire's name, followed by the phrase "Exchange Service Concessionaire." Where the contract specifies that the concessionaire will perform under an Exchange Corporate Identity, the phrase "Exchange Service Concessionaire" will be replaced with the name and logo of the Exchange Corporate Identity. A separate number series will be used for each outlet and forms will be numbered to preclude repetition of numbers during the contract. Concessionaire will submit a list of forms assigned for use by each outlet or route to the supporting exchange office. Distribution of copies will be prescribed by the contracting officer.

(2) Concession activities accepting customer property for servicing or processing will use claim tickets providing spaces for the following information as applicable: (a) date of order, (b) customer's name, rank, organization or address, and telephone number, (c) description of customer property, (d) list of each service performed, (e) charge(s) for each service, (f) sales tax if applicable, and (g) the following: "If the property identified on this order is not picked up within 90 days after the item is ready, the customer donates and transfers all right, title, and interest in the property to the Army and Air Force Exchange Service." (In case of privately-owned vehicles left for servicing, the customer will be required to sign adjacent to the clause on the concessionaire copy of the order.)

(3) Forms will be used in numerical sequence. Voided forms will be annotated with the number of the form used to replace it and processed as a completed transaction. Customer identification and a full description of each product sold, or service performed, will be listed on the form and the charge for each item listed separately. Parts and/or products will not be included with service as a single charge. If the contract requires a cash register with a sales form validation feature, the concessionaire will validate each form for every sales transaction.

(4) The customer will be furnished a copy of completed form. If a customer calls for property without a claim ticket, require identification, obtain the customer's signature on the control copy, countersign, and indicate the date of pickup.

(5) Route sales will be shown separately on the settlement report.

(6) If a customer picks up a portion of the items listed on a claim ticket, the unclaimed items will be listed on a new claim ticket, and the customer furnished a copy.

(7) Completed forms will be retained in the originating activity for 90 days (1 year for automotive activities) after the applicable settlement report date. After this period, concessionaire will remove forms from the concession activity and maintain at concessionaire's records storage area for three (3) years after final payment under the contract.

e. Customer Daily Sales Register. If a cash register is not required, concessionaire may use Customer Daily Sales Register, Exchange Form 6550-9. The register will be prepared in duplicate, showing the applicable sales data and signed by the customer. Each sale will be recorded on the sales register at the time payment is made. Customers will be given a receipt showing the name of the concessionaire, item purchased, purchase price, and date of sale. Customer refunds will also be recorded on the sales register. Refund amount will be enclosed in brackets and deducted from register totals. Each refund entry must contain the customer's name, address, telephone number, and signature. Attach a copy of all completed register pages to the settlement report.

14. CONCESSIONAIRE SETTLEMENT REPORT (NOV 02).

a. Concessionaire will prepare a Concessionaire Settlement Report, Exchange Form 6550-10, or other reporting format approved by the contracting officer, in triplicate, for each reporting period, listing each facility separately on the report. Copies of the Z reading receipt tapes (originals only), Concessionaire Cash Register Adjustment Vouchers, Exchange Form 6550-24, and Customer Daily Sales Register, Exchange Form 6550-9 (if authorized for use), for the reporting period will be attached.

b. The reporting period will be by calendar month.

c. An original and one copy of the Concessionaire Settlement Report must be forwarded to arrive in the supporting exchange accounting office no later than the 15th calendar day of the month following the reporting period.

15. FEE DEPOSIT AND PAYMENT (MAY 99).

a. The "Estimated Fee" is determined by multiplying the contract fee by the estimated monthly sales in the solicitation. The estimated sales may be revised by unilateral contract agreement if the actual sales vary significantly from the estimated sales. Payments must be made to arrive in the supporting exchange accounting office as follows:

(1) If the "estimated fee" is less than \$1,500, the actual fee payment for the monthly reporting period is due no later than the 15th calendar day of the following month;

(2) If the "estimated fee" is \$1,500 or more, concessionaire must deposit with the exchange accounting office one-half the "estimated fee." The full amount of the actual fee for each monthly reporting period is then due no later than the 15th calendar day of the following month. The fee deposit will be refunded to the concessionaire within 30 calendar days of the expiration/termination of the contract, less any amount due the Exchange. No interest will accrue to concessionaire on the deposit while held by the Exchange.

b. Fee (and settlement report) for less than a full reporting period upon termination or expiration of the contract will be forwarded to arrive no later than 10 calendar days after termination or expiration of the contract. Payment of flat fees will be prorated.

c. When the 15th day of the month falls on Saturday, Sunday, or a national holiday, payment will be due the next working day.

d. A late charge of \$75.00 will be assessed on all fee payments not received at the designated payment office by close of business on the date due. This charge will be in addition to other remedies provided by the contract.

16. TAXES (FEB 89).

a. Concessionaire is responsible for determining the applicability of and for payment of all federal, state, host country, and local taxes applicable to the property, income, and transactions of concessionaire. If required by applicable laws and regulations, concessionaire will collect and remit sales taxes to the state. Sales taxes which have been collected as required by Clause 8, Prices, will be excluded from the computation of gross receipts. The amount excluded will be listed on the Concessionaire Settlement Report. The amount of taxes excluded will not exceed the actual sum payable to the state. If required by state law or regulation, concessionaire will obtain and conspicuously display the state sales tax permit.

b. Concessionaire warrants that the contract prices or other consideration do not include any tax or duty from which concessionaire is exempt under the laws or agreements of the United States Government, state or host country where this contract is performed. If any such tax or duty has been included in the pricing or consideration through error or otherwise, the contract pricing or consideration will be correspondingly reduced or adjusted. If for any reason after the contract date, concessionaire is relieved, in whole or in part, from the payment or the burden of any tax or duty included in the contract pricing or other consideration, the contract pricing and/or other consideration will be correspondingly reduced or adjusted.

c. If this contract covers an activity involving a Federal Occupational Tax, concessionaire agrees as a condition precedent to engaging in or operating such activity, to tender to the Exchange the amount of any Federal Occupational Tax applicable thereto if payment has not been accomplished by concessionaire, or to reimburse the Exchange the amount of any such tax the Exchange has paid as a result of the operation of such activity by concessionaire. As between the parties of this contract, notice or demand for payment from an office of the U.S. Internal Revenue Service will be conclusive that the Federal Occupational Tax is payable and in the amount so specified to be due.

17. CONCESSIONAIRE AND CONCESSIONAIRE EMPLOYEES (CONCESSION PERSONNEL) (Jan 00).

a. Responsible management will be provided during all hours of operation at the concession activity. The manager or designated representative will be knowledgeable of contract terms and conditions and will have authority to conduct business as required by this contract. Authority will include, but will not be limited to, purchase of operating supplies, maintenance and repair of equipment, training of employees, maintaining prescribed hours of operation, supervision of concessionaire employees, and settlement of customer complaints and claims. The concessionaire will provide written notice to the contracting officer naming the person appointed manager or representative.

b. Concessionaire will furnish a sufficient number of trained, qualified employees to ensure the efficient performance of this contract. New concessionaires will give first consideration for employment to employees of the previous concessionaire, or if direct operated, Exchange employees.

c. All concessionaire employees having customer contact must be able to read, write, and speak English at a fluency level sufficient for efficient performance of the contract.

d. The concessionaire will, at concessionaire's expense, make employees available for any applicable training according to training dates determined by exchange management.

e. Concession personnel must meet the health and security standards prescribed by the contract and applicable

regulations, and must obtain installation passes, permits, and security clearances when applicable.

f. Concession personnel will be neat and clean. Customer contact personnel will wear attire typical of styles commonly used by the better local commercial facilities of the same trade and as approved by the contracting officer. Nameplates will be worn by all customer contact personnel. For branded facilities the logo nameplate will be provided by the concessionaire. For non-branded facilities, the standard Exchange nameplate will be worn in the manner prescribed by current directives. Standard Exchange Nameplates will be furnished by the Exchange to the concessionaire at a nominal cost.

g. Concession personnel will give prompt and courteous treatment to authorized customers.

h. Concession personnel will abide by applicable regulations and directives and conduct themselves so as not to reflect discredit on the Exchange.

i. Concessionaire will discontinue the use of any employee for performance of this contract upon written notice from the contracting officer that the individual is not (or no longer) acceptable for performance under this contract. Concessionaire will not use any such employee to perform other Exchange contracts without the prior written consent of the applicable contracting officer.

j. Concessionaire will not employ any individual for this contract who has been determined unacceptable for performance under any other Exchange contract or has been separated for cause by the Exchange.

18. ACTIONS TO BE TAKEN UPON TERMINATION (INCLUDING EXPIRATION) (JAN 05).

a. If contractor desires to sell, and the Exchange desires to purchase, any or all of the concessionaire furnished property including equipment, furniture and movable trade fixtures, etc., used in the facility by concessionaire for this contract, the value of the property will be jointly agreed upon by both parties. Contractor must show clear title to all items transferred.

b. Concessionaire will promptly settle concessionaire's account with the Exchange including payment in full of all amounts due; yield up the premises, installed property and fixtures, and all the Exchange furnished property, clean and in as good order and condition as when received (damage due to acts of God or the U.S. Government, and ordinary wear and tear excepted); surrender all installation passes, decals, etc., for all concession personnel; and complete satisfactory settlement of all customer complaints and claims. Termination of this contract does not release concessionaire from the obligation to satisfactorily settle customer complaints and claims.

c. Concessionaire will promptly remove all concessionaire furnished property not purchased by the Exchange including equipment, furniture and movable trade fixtures, tools of the trade and supplies. Property will be removed after the close of business on the final day of the contract unless other arrangements have been approved by the local exchange. Upon failure to yield up the premises or remove concessionaire's property as required, the contracting officer may enter the premises, have concessionaire's property removed and stored in a warehouse at concessionaire's expense, and have the premises cleaned and restored at concessionaire's expense. In this event the Exchange will exercise due care in the removal and storage of contractor's property, however the Exchange assumes no liability for any loss or damage to concessionaire property under these circumstances. If concessionaire is indebted to the Exchange, or does not promptly remove concessionaire property, concessionaire authorizes and empowers the contracting officer or their representative to take possession of concessionaire's property and dispose of same by public or private sale without notice, and out of proceeds of sale, satisfy all costs to the Exchange including the costs of sale, handling, storage, etc., and any other indebtedness to the Exchange.

d. If concessionaire is not awarded a follow-on contract, concessionaire will arrange transfer of the activity's telephone number to the new concessionaire unless prohibited by the servicing telephone company.

e. Where concessionaire performed the contract under an Exchange Corporate Identity, concessionaire will cease use of all the Exchange names and identity standards upon the termination or expiration of the contract.

19. UNCALLED-FOR CUSTOMER PROPERTY (DEC 88).

Customer property not picked up within 90 days from the ready date is uncalled-for customer property and will be handled as follows:

a. Concessionaire will contact the customer if the property is not picked up within a reasonable time after it's ready and will keep a record of contacts. If required by the contracting officer, concessionaire will provide a list of uncalled-for customer property indicating the order/ticket number, customer name, description of item(s), and amount due.

b. The contracting officer will determine disposition of uncalled-for customer property. Uncalled-for customer property valued at more than \$100.00 released to concessionaire must be accounted for. Items sold will be handled as a sale. Fees will be paid on these transactions.

c. Customer vehicles will be turned over to the exchange with copies of the customer order, the work order, the

notification to the customer, and all other available documentation.

20. LOST, ABANDONED, AND UNCLAIMED PROPERTY (DEC 88).

Personal property left in the concession area will be promptly returned if the owner can be identified. If prompt return is not possible, the items will be turned over to the appropriate military office for lost, abandoned or unclaimed items. (Example: a customer leaves an umbrella in the concession.)

21. INVENTORY TRANSFER (FEB 89).

a. If this contract is not awarded to the incumbent concessionaire or is for converting an Exchange direct operated service activity to concession operation, the new concessionaire will purchase all unclaimed finished customer orders-which involve processing or repair of customer-owned property-from the previous concessionaire or the Exchange. This does not include uncalled-for customer property, as defined in Clause 19 of this exhibit. The unclaimed finished customer orders are to be purchased by the commencement date of service under this contract, and the purchase price will be the full charge(s) in effect at time customer(s) turned the item(s) in for processing or repair, less any cash deposit(s) and less the Exchange's fee under any previous contract. The outgoing concessionaire will deliver at no charge all unprocessed orders to the new concessionaire. The new concessionaire assumes full responsibility for servicing unprocessed orders and delivering the finished orders to customers at the original price. Payment of fee to the Exchange will be at the rate in either the previous contract or, if previously an Exchange direct operation, this contract. Before starting service under this contract, a listing of transferred inventory-by finished and unfinished work-signed by both the outgoing and incoming concessionaires will be given the contracting officer.

b. Upon expiration or termination of this contract, concessionaire will transfer all undelivered customer orders to any new concessionaire or to the Exchange, as determined by the contracting officer. Payment to concessionaire will be on the basis of the full charge(s) under this contract, less any cash deposit(s) and less the Exchange's fee. Contracting officer will determine appropriate disposal for uncalled-for customer orders. Any monies received from the sale of uncalled-for customer property will be remitted by the Exchange to concessionaire, to the extent of concessionaire's share of the customer charges for services rendered.

22. INDEBTEDNESS (FEB 89).

a. Concessionaire will pay promptly according to the terms of this contract all indebtedness incurred in connection with performing the contract. If a due date is not specified, payments due the Exchange must be received no later than 15 days after receipt of notice of amounts due. If all amounts due under this or other contracts are not received, at any time thereafter the contracting office may direct by written order that daily receipts be turned over to the Exchange until all amounts owing the Exchange are paid.

b. The Exchange may charge concessionaire for a dishonored check received from concessionaire, except when (1) the bank acknowledges the dishonor to be a bank error or (2) the return is the result of an Exchange error. The charge will not exceed the administrative amount the Exchange normally charges its customers for dishonored checks. The contracting officer may require payment to be made in cash, certified check, or cashier's check.

23. PRICE/FEE REVISIONS (FEB 89).

The prices and fees established in this contract will remain firm throughout the term of the contract unless revised according to the following:

a. The contracting officer may initiate a price increase or decrease or grant one at request of the concessionaire. A price increase or decrease will be at the sole discretion of the contracting officer. In the event of a price decrease, the fee to the Exchange will be decreased to result in the reduction of income due to the price decrease being absorbed by the Exchange. Any increase/decrease in concessionaire expenses directly attributable to price revisions will be taken into consideration by the contracting officer in computing the appropriate fee change.

b. The contracting officer will make such price/fee revisions by issuing a unilateral contract amendment to become effective on the date indicated in the amendment. The concessionaire will implement the prices on the date established in the amendment. The fee revision will be considered final unless concessionaire submits a request for reconsideration to the contracting officer within 30 days after receipt of the amendment. A request for reconsideration may only be based on the fact that the contracting officer's fee revision will result in loss of income to the concessionaire which can be directly attributed to the price revision. After receipt of a request for reconsideration, the contracting officer will reconsider the action and issue a final decision under the Disputes clause of this contract. However, nothing in this clause will excuse the concessionaire from proceeding with implementation of the revised prices on the date established in the amendment.

24. INSURANCE (FEB 89).

- a. Concessionaire will maintain in full force and effect, during the contract, at least the insurance coverage in the Insurance Requirements exhibit.
- b. Concessionaire will be liable for damage, loss or injury to property or persons resulting from acts or omissions of concessionaire, concessionaire's employees or agents, whether or not covered by required insurance.

25. PROMOTIONAL EVENTS (APR 05).

Concessionaire will conduct promotional events as specified below:

a. Concessionaire Sponsored (Paid-For) Promotions:

(1) Concessionaire must pursue an active sales promotion program featuring, at a minimum, the number of events specified in the Promotional Events clause of the Schedule. The concessionaire promotion program will be equal to or better than programs offered in the commercial sector by similar businesses. The period for each promotional event will coincide with the the Exchange promotional event schedule. Fee to the Exchange will be calculated on the discounted price.

(a) The specific promotional items/services, discounts, and promotion dates will be coordinated by written agreement between the concessionaire and the Exchange. The agreement need not be in the form of an amendment to the contract.

(b) The concessionaire will provide the exchange a proposed promotional program for the balance of the calendar year within 30 days of contract award. The concessionaire will provide a proposed promotional program during the month of November each year for the subsequent calendar year. The promotional program will describe the items/services to be promoted, the dates of the promotion, and the discounts proposed.

(2) If concessionaire operates as a branded business, they will participate in the promotion programs developed by the brand.

(3) Other promotional price reductions for limited time periods may be provided upon written agreement between concessionaire and the Exchange. Such written agreement may provide for temporarily reducing fee in conjunction with the promotional price reduction. The agreement need not be in the form of an amendment to the contract.

b. Exchange Directed Promotions:

(1) Concessionaire will participate in all Exchange Special Coupon Booklets/Programs. Periodically, the Exchange will provide customers with special coupons in recognition of events or achievements (i.e. reenlistments, birth of a child, newcomers, educational achievements, deployments, etc.) for use in purchasing merchandise or services that may be provided under this contract at reduced prices. The coupon will show the specific amount of discount customers will be entitled to receive. The Exchange will fund the full cost of the face value of these coupons and the cost of marketing and advertising materials.

(2) Concessionaire will participate in all Exchange promotions identified in the Promotional Events clause of the Schedule. Cost of these promotions will be as stated in the Schedule and may either be Exchange funded, concessionaire funded, or shared between the Exchange and the concessionaire.

(3) Concessionaire will participate in any other Exchange directed promotions. These promotions may include, but are not limited to, percentage or dollar off coupons, temporary price reductions, reduced prices for service or merchandise with purchase of regular priced service or merchandise, frequent purchase/loyalty card program, gift with purchase, etc. The Exchange will fund the full cost of these promotions.

(4) When the Exchange directed promotions require the redemption of an the Exchange coupon, concessionaire must comply with the following guidelines:

(a) Concessionaire will honor and redeem all Exchange coupons presented by exchange customers. The coupons are redeemable at face value only towards purchase of specific item/service indicated, subject to compliance with any time limit and/or other restrictions that may be specified. Coupons will not be redeemed for cash.

(b) The regular sell price (price before discount) will be rung on the cash register. The amount of money collected from the customer will equal the regular sell price discounted by the coupon's face value. Concessionaire will calculate fee to the Exchange based on the regular sell price, before considering the discount customers are entitled to resulting from redeeming the special coupons.

(c) If directed by the Exchange, concessionaire will have the customer print and sign their name and print their telephone number and the date on each coupon redeemed.

c. Concessionaire is encouraged to advertise in media produced primarily for distribution on military reservations to authorized customers. Advertising in commercial media not specifically directed towards the military market, when not otherwise prohibited by the contract, requires prior approval of the contracting officer.

26. EXCHANGE TABLOID/SPECIAL SALES COUPONS AND MERCHANDISE GIFT CERTIFICATE REDEMPTION (APR 05).

a. Exchange Tabloid/Special Sales Coupons:

(1) Concessionaire will enter the total face value amount of the Exchange Tabloid and Special coupons redeemed during a reporting period on the Concessionaire Settlement Report, Exchange Form 6550-10. The coupons received and redeemed will be submitted to the supporting exchange accounting office with the settlement report. The supporting exchange accounting office will verify the coupon amount.

(2) Concessionaire will deduct the total face value of the coupons redeemed from fee payment unless otherwise specified by the contract.

b. Exchange Merchandise Gift Certificates:

(1) Concessionaires will follow all current the Exchange policies and procedures regarding acceptance and processing of gift certificates, as set out in Exchange EOP 40-11 (Special Retail Programs).

(2) Concessionaire will honor Exchange Merchandise Gift Certificates and redeem for any combination of merchandise and cash back. the Exchange Merchandise Gift Certificates cannot be redeemed for cash only at concession activities. Customers who wish to redeem certificates for cash only must do so at any Exchange direct retail facility.

(3) Concessionaire will ensure that Gift Certificates have been properly completed by both the Exchange and the customer. Review for the following information on certificates:

(a) Recipient's name must be written on the "Payable To" line of gift certificate.

(b) Value of gift certificate must be written in both numbers and words. The amount in numbers must agree with amount written in words.

(c) Ensure that the issuing Exchange Name, 10-digit facility number and a date are indicated on the gift certificate.

(d) Ensure that all Gift Certificates presented are originals and not copies.

(4) Ring the merchandise selected and total the sale.

(5) Tender the amount of the gift certificate(s) as Cash.

(6) If the amount of the sale is greater than the face value of the certificate(s), collect additional amount due from customer. If the amount of the sale is less than the face value of the certificate(s), give the customer change.

(7) Write the current date and the word "REDEEMED" on the front of the gift certificate(s) and ask the customer to endorse the back of the certificate(s).

(8) The Exchange will reimburse concessionaire for amount of valid gift certificates redeemed by exchange customers as follows:

(a) Concessionaire will enter the total face value amount of gift certificates redeemed, during a reporting period, on the Concessionaire Settlement Report, Exchange Form 6550-10, and deduct the gift certificate amount from fee payment due the Exchange.

(b) The gift certificates received and redeemed will be submitted to the supporting exchange accounting office with the settlement report. The supporting exchange accounting office will verify the gift certificate amount

27. REFUNDS (DEC 88).

a. Concessionaire will be responsible for refunds to customers for customer dissatisfaction with an item or service or for any overcharges to customers. Should concessionaire refuse or fail to promptly make any refund of overcharges to a customer, the Exchange may make the refund and charge the amount to concessionaire's account. If a customer cannot be located or if refund to a customer is otherwise not practicable as determined by the contracting officer, concessionaire will pay the amount of the overcharge to the Exchange within 15 calendar days from date of demand by the Exchange.

b. Requests for refunds not promptly honored are considered complaints or claims subject to the provisions of the Customer Complaints and Claims clause.

28. CUSTOMER CHECKS (MAY 05).

a. Concessionaires are strongly encouraged to accept both local and out-of-town checks in payment for merchandise and services.

b. Concessionaire may charge the customer for a dishonored check except when (1) the bank acknowledges the dishonor to be a bank error or (2) the return is the result of a concessionaire error. Concessionaire may not charge more than the administrative amount charged by the Exchange for dishonored checks. Losses from dishonored checks are concessionaire's responsibility.

c. Under no circumstances will the concessionaire record the customer Social Security Number (SSN) on the check.

29. SAFEGUARDING OF CONCESSIONAIRE FUNDS ON ARMY AND AIR FORCE INSTALLATIONS (DEC 88).

a. When more than \$100 are kept in the concessionaire facility during non-operational hours, funds will be secured in a steel safe equipped with a three-position combination tumbler locking device.

b. When more than \$500 are held in the concessionaire facility during non-operational hours, the safe must:

(1) be secured to the premises by being encased in a concrete bed; or

(2) be bolted or steel-strapped to a floor beam or an internal wall support beam with the bolts or straps concealed to prevent cutting or prying; or

(3) weigh in excess of 1,000 pounds.

30. CHARGE CARD AND MILITARY STAR CARD SALES (MAY 05).

a. Charge Cards:

(1) Concessionaire will accept Visa and MasterCard. Concessionaire may also accept other recognized U.S. commercial charge cards.

(2) Concessionaire will accept the GSA Smart Pay Card and Government Purchase Card (GPC) from authorized customers and DoD civilians for official purchases upon presentation of the charge card and a Government Identification Card.

(3) Concessionaire is responsible for the payment of any fees, charge backs, and other arranged costs levied by the charge card issuing companies.

b. Military Star Card:

(1) Concessionaire will accept the Military Star card for products/services as authorized in this contract. Primary responsibilities are as follows:

(a) Concessionaire will report such sales on the Concessionaire Settlement Report in the same manner as other credit card sales.

(b) The Exchange will provide procedures and forms required to process the Military Star card credit transactions.

(c) Concessionaire will be charged a processing fee of 2.0% of all Military Star card transactions, to include sales tax, less merchandise refunds or adjustments, which will be deducted from the Exchange reimbursement to the concessionaire. The fee percentage may be administratively reduced by the Exchange without contract amendment.

(d) The Exchange will pay the contractor in accordance with the Payments clause shown below.

(e) The Exchange will be responsible for collection of Military Star card account balances from customers.

(f) Concessionaire will handle refunds and adjustments under the Military Star card program in the same manner as other credit card sales.

(g) The term "daily sales receipts" in Special Provision 22, "Indebtedness", is expanded to include any funds payable to the concessionaire under the Military Star card program.

(2) Payment (CONUS):

(a) Payment will be made weekly based on concessionaire's weekly summary of Military Star card transactions as verified and reported by the local exchange. A check will be issued weekly covering the prior Monday through Sunday time period. The check will be sent out approximately one week after the Monday through Sunday transaction period.

(b) Date of payment is determined to be the earliest of the following:

((1)) Date of the check issued to the concessionaire, or

((2)) Date an electronic fund transfer is received by the concessionaire regardless of the date the financial institution posts the transfer, or

((3)) Date a withholding authorized by the contract is initiated by the Exchange.

(c) Payment will be made by mailing a check to the address shown on the contract, unless the concessionaire provides a different "remit to" address to the contracting officer.

((1)) If a contractor wishes to change the address (e.g., street, P.O. Box, city/state) to which payment should be sent or wishes its payments to also reflect a financial institution or a factor's name and be sent to a factor's address, the request must be in writing, signed by a responsible official of the contractor, and submitted to the contracting officer. Any such request must clearly establish which division or subsidiary of a corporation such changes apply to and the address that is superseded by the changes. These changes will become effective when approved by the contracting officer and on the date determined by the Exchange. This will normally be 30 days after approval. Changes will be done on an accommodation basis only, with the understanding that no legal obligation is imposed on the Exchange for failure to

make payment to the new payee/address. The contractor may in similar manner, revoke such changes.

((2)) Any request by the contractor to change the name shown on the contract or to assign payment must be sent to the contracting officer.

(d) Any questions or inquiries concerning payments should be directed to the contracting officer. Unidentified and duplicate payments must be brought to the attention of the contracting officer immediately upon discovery. The contractor is required to mail a copy of the Exchange check voucher received with unidentified or duplicate payment highlighted. Under no circumstances should unidentified payments be applied against other amounts due.

(e) Contractors are to wait at least 30 days past the due date of the payment before writing the contracting officer. Any interest penalties due to contractor will be computed in accordance with the Prompt Payment Act, 31, U.S.C. 3901-3906 as amended.

31. INSPECTIONS (MAR 00).

a. The Exchange contracting officer, or any person designated by the contracting officer, may conduct inspections to ensure compliance by the concessionaire with all provisions of this contract.

b. The Exchange may perform surveillance to verify concessionaire and concessionaire employee compliance with contract terms and to detect theft of government funds. Surveillance may include the use of electronic equipment. Concessionaire will inform employees that such surveillance may be conducted and that individuals implicated may be prosecuted in Federal courts. Concessionaire will obtain written certification from all employees that they have been so informed and will maintain the certification on file for the period of the contract. A form for this certification is available from the contracting officer.

c. Concessionaire is liable and will pay the Exchange for losses under this contract detected by surveillance or otherwise discovered or incurred.

32. SMOKING POLICY (DEC 86).

The smoking policy for concession operations will be as directed by the general manager.

33. HEAVY METAL LEACHING (DEC 07).

If there are products furnished under this contract that can reasonably be used to carry food or liquid for human consumption and made of a substance prone to heavy metal leaching such as, and to include, pewterware, earthenware, ceramicware, chinaware, ironware, lacquerware, bronzeware, brassware, leaded crystalware, and coated/plated items with a heavy metal base, Concessionaire warrants that any such product contains no leachable levels of metals dangerous to users. Maximum leachable levels and test methods are established by the U.S. Food and Drug Administration. The Exchange reserves the right to test concessionaire products on an unannounced basis. If a heavy metal leaching failure is found, concessionaire agrees to reimburse the Exchange for all followup costs to sample test the remainder of his items for the duration of the contract. This provision does not supersede, replace, or cancel other remedial provisions allowed by the contract. Concessionaire further warrants that products have been tested by either the U.S. Food and Drug Administration or a nationally recognized independent test laboratory and found to be in compliance with the current U.S. Food and Drug Administration action levels and test methods. Test data will be furnished to the Exchange upon request by the contracting officer.

34. EXCHANGE/VENDOR PARTNERSHIP MARKETING PROGRAM (JUL 94).

The Exchange Marketing Program consists of numerous elements to enhance the sale of consumer products and services. At the contractor's request, the Exchange will give the contractor the opportunity to participate in selected elements of the Program. All participation will be in conjunction with the sale of authorized products and services to authorized customers. The Exchange reserves the right to limit the degree of participation based on availability, designated themes of special events, and the overall goals of the program.

35. ORGANIZATIONAL SALES (NOV 00).

Concessionaire may sell items to authorized official organizations and activities of the U.S. Armed Forces. Sales will be recorded on the cash register at the time the sales transaction is made. Any losses incurred as a result of organizational sales are concessionaire's responsibility.

EXHIBIT D**PRICE SCHEDULE****SECTION I - GENERAL INFORMATION****1. CONTRACT PRICING.**

a. Authorized maximum allowable prices for ophthalmic products and services are contained in this exhibit.

b. Contractor may request changes to prices no more frequently than annually. Any request must be substantiated with a local price survey and submitted to the contracting officer for approval.

c. Patient/Customer must consent to any additional charges beyond published/posted services.

2. **DEPOSITS.** The contractor may require a deposit or require up to 100% of the total order for ophthalmic goods.

3. **FORWARDING ORDERS.** The contractor may charge actual cost of forwarding fee rounded up to the next dollar plus \$1.00 handling/service fee to forward an order if requested by the patient/customer. The forwarding and handling fee covers postage, insurance and packaging for forwarding a completed optical order to the patient/customer. Items are to be insured for at least the retail replacement value. Forwarding and handling fees are entered on the order form and rung in the register but are not included in sales for calculation of the Exchange fee payment.

4. LATE ORDERS

a. If contractor fails to provide an order by the promised delivery date, or by the service times listed in Exhibit H, the total order price is discounted by 10% for each day late, up to a maximum discount of 30%.

b. If the contractor offers less than one-day service (example: one-hour service), the total order price is discounted by 10% for each hour (or portion thereof) late, up to a maximum discount of 30%.

c. The discount is applied to the total of the order. If the order is already paid in full, the discount is refunded to the patient/customer.

d. Discounts from the Exchange fee due to late deliveries are not authorized. The fee due the Exchange is to be calculated base on the price had the order been delivered on time.

SECTION II - SPECTACLE AND SPECTACLE SERVICES PRICING

1. **IMAGE I, II, AND III COMPLETE-PAIR STRATEGY.** Contractor must offer complete-pair pricing for Image I, II, and III packages.

a. Image complete-pair prices include:

- (1) Frame.
- (2) Plastic lenses (CR-39), except Children and young adults (age 17 and under) who are provided polycarbonate, or equivalent, impact-resistant lenses at CR-39 prices in all frames and in all categories throughout this contract.
- (3) Scratch-resistant coating (basic, factory applied).

b. Prices: Offeror will submit proposed complete-pair prices for each complete-pair option listed in the table below in the blanks provided. If no prices are entered, the complete-pair prices default to the prices listed in parentheses, with complete-pair bifocal, complete-pair trifocal and complete-pair Progressive Addition Lenses (PAL) priced at \$25.00, \$35.00, and \$75.00 over single vision (SV) price, respectively. Additional charges over SV, within each category, must be consistent. For example, if the offeror proposes the Image I complete-pair bifocal has a \$25.00 markup over the Image I

SV complete-pair, then that same price markup is followed for Image II and Image III. Additional charges will also be consistent between categories from SV to bifocal, from bifocal to trifocal, and from trifocal to PAL. Frame limitations listed in the table below are not negotiable. If the frames used in the complete-pair selections are not listed in *Frames Monthly*, the contractor will submit price information to the contracting officer to evaluate and determine final approval/disapproval.

Complete-Pair Category (CR-39)	Single Vision (SV) Complete-Pair	Bifocal Complete-Pair	Trifocal Complete-Pair	PAL Complete-Pair	Frame Limitations
Image I	(b)(4) Confidential/Proprietary				
Image II					
Image III					

c. Complete-pair price with lens materials other than CR-39: If a patient chooses a lens material other than CR-39, deduct the CR-39 lens price from the complete-pair price in the table above and add the price with the new lens material.

2. **IMAGE EXTRA FRAME PRICES.** Frames in this category are not listed as complete-pair products. These frames are priced individually, without lenses. The contractor must offer frames in the Image Extra category.

a. Authorized Frames: These frames must list for no less than \$45 in *Frames Monthly*.

b. Prices: The maximum sell price of any individual frame, to include Special Order Frames (SOF), shall not exceed 3.0 times the single unit complete cost of the frame as listed in the most recent edition of *Frames Monthly*. However, the frame sell price must reflect at least a 10% discount from an identical product in the local market (based on a local price survey among three closest competitors to the installation). The sell price is rounded up to the next \$1.00. Example: *Frames Monthly* listed price= \$45.25 x maximum markup of 3.0 = \$135.75. The maximum sell price becomes \$136.00.

3. **READY-MADE SUNGLASS PRICES.** If offered, these products are priced individually, with nonprescription lenses included. The sell price must reflect at least a 10% discount from an identical product in the local market. The contractor may offer distinct styles (different style numbers) of complete ready-made sunglasses.

4. **SPORTS IMAGE COMPLETE-PAIR PRICES.** Contractor must offer Sports Image Complete-Pair category.

a. Prices: Offeror must submit proposed complete-pair pricing for each complete-pair option listed in the following table by entering the prices in the blanks provided. If no prices are entered, complete-pair prices default to prices listed in parentheses.

Complete-Pair Category (Polycarbonate)	Single Vision (SV) Complete-Pair	Bifocal Complete-Pair	Trifocal Complete-Pair	PAL Complete-Pair	Frame Limitations
Sports Image	(b)(4) Confidential/Proprietary				

5. **SPORTS FRAME PRICES (OTHER THAN SPORTS IMAGE COMPLETE-PAIR CATEGORY)** Frames in this category are not listed as complete-pair products. These frames are priced individually, with or without lenses, depending on the frame. Display of these frames is optional but seasonal promotions and displays are encouraged.

a. Authorized Frames: Sports frames meeting ANSI Z-87.1 and/or ASTM standards

b. Prices: The maximum sell price of any individual frame, to include Special Order Frames (SOF), shall not exceed 3.0 times the single unit complete cost of the frame as listed in the most recent edition of *Frames Monthly*. However, the frame sell price must reflect at least a 10% discount from an identical product in the local market.

6. **SAFETY FRAME PRICES** Frames in this category are not listed as complete-pair products. These frames are priced individually, with or without lenses, depending on the frame. Display of these frames is optional.

a. Authorized Frames: ANSI Z-87.1 compliant eyewear

b. Prices: The maximum sell price of any individual frame, to include Special Order Frames (SOF), shall not exceed 3.0 times the single unit complete cost of the frame as listed in the most recent edition of *Frames Monthly*. However, the frame sell price must reflect at least a 10% discount from an identical product in the local market.

7. **PRIVATE LABEL FRAMES (PLF) PRICES.** The contractor will be advised by a letter from the contracting officer of the frames approved for sale. See Exhibit H.

8. **SPECTACLE LENS PRICES.** Offeror must submit, as a separate enclosure/attachment, the spectacle lens price list for use in this location, to include all enhancements and add-ons. Lens prices on the price list must be listed as the per-pair price (cost for two lenses). The maximum sell price for any lens will not exceed 3.0 times the listed lens wholesale/actual invoice price. However, the lens sell price must reflect at least a 10% discount from an identical product in the local market.

a. Children and young adults (age 17 and under) will be provided polycarbonate, or equivalent, impact-resistant lenses at CR-39 prices in all frames and in all categories throughout this contract.

b. Lenses are priced per prescription in minus cylinder format.

c. Additional charge is authorized when a base curve is specified on a prescription that differs from factory-specified grinding charts by over 2.00 Diopters.

d. Drill mount is authorized as an optional add-on charge, not to exceed \$2.50 per drill hole

e. All single lens orders and any single lens add-on charges are priced at 50% of the contractor's listed pair price.

f. Additional charges for scratch-resistant coating are not authorized for any lenses that already include basic factory-applied scratch coatings.

g. Additional charges for ultraviolet (UV) protection are not authorized for lenses with inherent UV protection.

9. **FRAME REPAIR PRICES** Offeror must submit proposed pricing for each frame repair option listed below. Enter prices in the blanks provided (or put N/A if service not available) and indicate whether the service is to be available in-house, and/or will be sent-out. Prices include materials and labor, unless specifically explained. If no prices are entered, prices will default to No Charge to the patient/customer. Prices already entered as No Charge may not be changed. Additional repairs not listed must be listed in the blank provided be low or on a separate page if additional room is needed.

Repair/Service	Price	In-House	Send-Out
Clean frame (ultrasound)	No Charge	X	
Frame adjustment	No Charge	X	
Hinge screw replaced	No Charge	X	
Acetate nose pads installed (2 pads)	NO CHARGE	X	
Silicone nose pads installed (2 pads)	NO CHARGE	X	
Standard hinge repaired or replaced (per hinge)	NO CHARGE	N/A	

Hidden hinge repaired or replaced (per hinge)	NO CHARGE	N/A	
Solder (per repair)	NO CHARGE	N/A	
Temple cover replaced (2 covers)	NO CHARGE	X	
Other Repairs/Services (list below/or provide attachment):	-----		
Ptosis crutch (example only)			X
Temple extensions (example only)			X
Bridge extension (example only)			X

SECTION III - CONTACT LENS AND SERVICES PRICES

1. **GENERAL INFORMATION.** Contact lens examinations and other medically related contact lens services must comply with all applicable state optometry laws and regulations.

2. CONTACT LENS PRICES.

a. The contact lens sell price is the listed wholesale price in *Tyler's Quarterly* (or *Contact Lenses Quarterly*), excluding volume discounts, plus the applicable administrative fee of no more than \$5.00 per standard unit of sale (box, vial, etc., whichever is applicable) and \$10.00 per order for toric/multifocal lens. Example:

<i>Tyler's Quarterly</i> wholesale price for contact lens standard unit of sale (box, vial, etc.):	\$20.00
Administrative fee per contact lens standard unit of sale (box, vial, etc.):	\$ 5.00

Maximum sell price of contact lens standard unit of sale (box, vial, etc.):	\$25.00

b. A copy of the optical order form for each contact lens sale will be submitted with the monthly settlement report to document total contact lens sales.

3. RIGID CONTACT LENS MODIFICATION PRICES.

a. The contractor may perform modifications to lenses within 60 days from original dispensing (doctor change or any other reasons) at no additional charge to the patient/customer. Per case (vice per lens) strategies apply.

b. Patient/customer is responsible for payment of any modifications made to rigid lenses more than 60 days from original dispensing (includes doctor changes).

c. For keratokonus, orthokeratology, other therapeutic or specialty fits (such as fenestrated, piggy-back, skirted lenses, and/or other custom lenses), prices for contact lenses and modifications must be agreed upon by the patient/customer and the contractor prior to commencement of the therapeutic treatment.

SECTION IV - ADDITIONAL MERCHANDISE PRICES

1. **ADDITIONAL MERCHANDISE AUTHORIZED ITEMS** The contractor may sell merchandise and accessories appropriate to an optical dispensary. Items not in one of the categories below must be approved by the Exchange contracting officer. Samples of all retail merchandise items (and/or supplier catalog color pictures) are presented to the contracting officer for approval prior to placing the items in the facility.

- a. Contact lens solutions and products.
- b. Eyeglass accessories, eyeglass cases, and/or eyeglass repair and maintenance items.
- c. Magnifiers, low vision aids, closed-circuit projection systems.
- d. Optical-related merchandise/promotions (telescopes, binoculars, microscopes, etc.)

e. Sports helmets (or similar) with built-in or in-mounted eyewear (sunglasses, UV protection, spectacle prescription, protective, etc.).

2. **PRICES** Merchandise is recorded as a regular sale on a separate key in the POS System. Unless otherwise specified, the maximum sell price of any contractor-owned merchandise will not exceed 3.0 times the contractor's invoice landed cost from the supplier. However, the sell price must reflect at least a 10% discount from an identical product in the local market. The sell price is rounded up to the next 0.05¢. Example: Contractor's invoice landed cost from the supplier = 0.74¢ x maximum markup of 3.0 = \$2.22. The maximum sell price becomes \$2.25. Supplier invoices and manufacturer's retail price data for contractor-owned items will be available on the premises of the activity at all times for inspection by the contracting officer or his/her designee. The price of contractor-owned merchandise may be changed whenever there is a change in contractor's invoice landed cost. Such changes are effective upon receipt of the first delivery of replenishment merchandise at contractor's new invoice cost. Items identical (same brand, model number, net weight, contents, and packaging) to those sold in the Exchange stock assortment are to be priced equal to the Exchange sell price.

3. **LANDED COST DETERMINATION** Landed cost of contractor merchandise is determined by a method below.

a. For Free On Board (FOB) destination purchases, landed cost is the price shown on the supplier's invoice.

b. For FOB origin purchases, landed cost is the price shown on the supplier's invoice, plus, when applicable, actual packing, transportation, customs, and other charges incurred by the contractor in getting the merchandise to the concession sales outlet(s). The actual transportation charges should be reasonable and in conformance with commonly accepted tariffs.

c. When the contractor is also the manufacturer/supplier of an item for which firm prices are not established in the Price Schedule, landed cost is the contractor's published wholesale price list and terms at which the items are regularly sold to other patients/customers.

SECTION V - OPTOMETRY PRICES

1. **OPTOMETRY SERVICES** must comply with applicable state optometry, regulations and applicable insurance reimbursement requirements. A price list for services must be available to patients in the clinic. Ensure maximum participation for patients enrolled in insurance plans honored by military and the Exchange associate health care programs. Fees should be based on billable/reimbursable rates.

2. **CONTACT LENS REFERRAL PRICES** Patients referred to the Exchange optometry clinic for contact lens evaluations and fittings are not charged for the basic comprehensive vision examination when patients present a copy of a recent (6 months) comprehensive exam/record from an optometrist or ophthalmologist. A written spectacle or contact lens prescription, or a previous order form (such as a military order forms for spectacle lenses), cannot substitute for a copy of a comprehensive eye exam. The Exchange optometrist retains a copy of the examination as part of the patient's record. If additional/updated tests are necessary based upon the professional opinion of the optometrist (ex: dilation, keratometry, repeat refraction, etc.) prior to contact lens evaluation, the patient is required to pay the charges for additional tests required/performed in addition to the contact lens evaluation fee. However, the patient must be notified in advance and must agree to pay these additional fees before services are rendered.

3. **SPECIAL PROCEDURES** Prices are mutually agreed upon by optometrist and patient in advance.

4. **PAYMENT** Full payment is required for all optometry services provided during the patient's visit. Patient's are responsible for all co-payments. The employees of the Exchange Optometry Clinic may file insurance claim payments on behalf of the patient with the insurance companies. Assignment of insurance claim payment may be accepted in lieu of cash.

5. **PATIENT RECEIPTS** Patients are furnished with a receipt suitable for use in filing insurance claims. Sequentially numbered forms and strict control is advised. When requested by the patient, insurance claim forms assistance is to be provided by employees of the Exchange optometry clinic.

6. **CO-MANAGEMENT REIMBURSEMENTS** The contractor is required to pay fee on all shared reimbursement to the Exchange on all co-management reimbursements received at this location..

EXHIBIT E

FEE SCHEDULE

1. Offeror must enter below the single fee percentage offered to the Exchange for this contract period. Fee is to be paid based on the total adjusted gross sales of all locations in this contract. For the purpose of this contract and its fee calculations, adjusted gross sales is described as gross sales, minus taxes, refunds, over rings, and replacement warranty adjustments. No fee is paid to the Exchange for contact lens sales.

FEE PROPOSAL	21.70	%
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2. Settlement reports (in duplicate) and fee payment must arrive on the date specified at:

**Davis Monthan AFB AAFES ADMIN
Attn: General Manager's Assistant
P.O. Box 15129
Tucson, AZ 85708**

3. Projected Operating Statement: Offeror must submit (with proposal) a projected operating statement based on the offeror's projection of sales for the first year of the contract. The statement includes percentage(s) to show:

- a. Cost of ophthalmic materials, including laboratory personnel costs
- b. Personnel costs other than off-site laboratory
- c. Depreciation expense of equipment and tools
- d. Supplies
- e. Other expenses, any of which are identified
- f. Proposed fee to the Exchange
- g. Anticipated net profit

SUBMIT THIS PAGE AND THE PROJECTED OPERATING STATEMENT IN A SEALED ENVELOPE

The fee proposals and projected operating statement must be kept separate from other evaluation criteria. No mention of the fee offered should be referenced anywhere but on this exhibit.

EXHIBIT F**INSURANCE REQUIREMENTS**

The contractor is to maintain insurance coverage listed below, during any contract period, with insurance company(ies) acceptable to the Exchange. All liability insurance coverage is to name the United States and the Exchange as additional and several insureds for claims, demands, suits, judgments, costs, charges, and expenses arising out of or in connection with any loss, damage, or injury to result from negligence or other fault of contractor, or contractor's agents, representatives, and/or employees. The insurance coverages to be maintained are:

1. The coverage is to be in amounts compliant with state or military installation requirements; whichever is greater, where this contract is performed:

- a. **Worker's Compensation and Employer's Liability Insurance.**
- b. **Automobile Bodily Injury and Property Damage Liability** for vehicles operated in performance of this contract by the contractor or contractor's agents or employees on the military installation, whether or not owned by contractor.

2. The contractor is to maintain the coverages listed below and is to furnish a current Certificate of Insurance, ACORD Form 25-S, to show the insurance is in effect. The Certificate of Insurance must show the United States and the Exchange as additional insureds for all liability coverages. The "INSURED" block of the Certificate of Insurance must list both the contractor's name and the Exchange contract number and must be mailed to:

Army and Air Force Exchange Service
Attn: SD-V/C (John Wordlaw)
3911 South Walton Walker Blvd.
Dallas, TX, 75236-1598

- a. **Commercial General Liability for Bodily Injury and Property Damage** in minimum limits of:
 - \$1,000,000 each occurrence limit
 - \$3,000,000 annual aggregate limit

This insurance policy is to be written on an "occurrence" basis. Policies written on a "claims made" basis are unacceptable.

- b. **Bailee Customer's Insurance** in minimum limits of:
 - \$250 deductible, to cover patient's property while in custody of the contractor, and while in the course of transportation, in the amounts equal to the variable maximum value of all customer's property in care and custody of contractor at any one time.
- c. **Healthcare Provider Malpractice Liability Insurance** in minimum limits of:
 - \$1,000,000 each occurrence limit
 - \$3,000,000 annual aggregate limit
- d. **Product Liability Insurance** in minimum limits of:
 - \$ 500,000 each occurrence limit
 - \$1,000,000 annual aggregate limit

EXHIBIT G

CONCESSIONAIRE/CONTRACTOR FURNISHED EQUIPMENT

SECTION I - GENERAL INFORMATION

The contractor will supply new or like-new fixtures, furniture, and equipment. Used fixtures, furniture, and/or equipment is only authorized when in like-new condition and with approval from the Contracting Officer prior to award of this contract. When any proposed item is not new; then recent, up-close photographs of the items must accompany the contractor's proposal. All fixtures, furniture and equipment must be maintained in proper working order and cleanliness must be maintained at all times. Furnishings and equipment are to be displayed in a clean, professional manner. Inoperable equipment must not preclude meeting all service time requirements and must be repaired or replaced within two weeks. Soiled and/or damaged furnishings or fixtures must be removed and cleaned, repaired or replaced immediately.

SECTION II – FRAME FIXTURES/OFFICE FURNITURE

1. GENERAL INFORMATION.

a. Line drawing(s) of the facility is/are listed as enclosure(s) to this exhibit. The offeror may submit the line drawing(s) to frame fixture manufacturers in order to determine the fixture requirements for the facility in this solicitation/contract. Completed line drawings must contain the exact layout of fixtures, furniture and equipment to be provided by the contractor and be submitted with the contractor's proposal.

b. The contractor will supply and maintain fixtures, furniture, and equipment for the facility as deemed appropriate for patient/customer flow. All facility furnishings are to be of compatible color pattern and design. The furniture must present an image of an upscale optometry clinic and optical dispensary.

c. Rotating island display units may be authorized to display frames or other accessories. If desired, small tabletop island displays, or wall-mounted accessory boards, may be used with the approval of the contracting officer. Display units for specific promotions may only be utilized temporarily and must be removed as soon as the promotion ends, the unit becomes unsightly or damaged, or upon direction from Exchange Management. Any and all fixture variations must be approved by the Contracting Officer prior to use.

2. APPROVED COLOR SCHEMES. The fixtures and furniture must conform to the Exchange color standards below.

a. **Laminates:** Laminate for vertical surfaces shall be Formica #7008-43, Acajour Mahogany, artisan finish. Formica #7696-58, Bisque Ceramic, matte finish laminate is to be applied to all visible horizontal surfaces (such as dispensing desk tops, countertops, and horizontal space directly beneath the frame board, if applicable, etc.), as well as all vertical backsplash boards along counters. Tint units should include additional clear acrylic or polycarbonate (Lexan) splash protection to extend about 1 foot beyond the tint tanks to preserve the counter and wall finishes.

b. **Veneers, Moldings, Decorative Trim, and Bases:** Wood veneer or laminates listed below may be applied to all visible vertical surfaces of fixtures and furniture. Veneer is applied to a 3/4" plywood veneer base. Exclusions include: (1) on the frame back board(s), or frame support backing, which are to be white laminate matching an Exchange-approved manufacturer's style; (2) on the vertical backsplash boards along counters which will be laminated as outlined below. Crown moldings, bases, and trims may be solid wood or laminate. Each fixture crown molding/header combination must have a combination of at least six (6) inches of total exposed surface height to ensure the attachment of the approved Exchange fixture category signage (minimum of 2-3/8" available vertical surface) and price-point signage (minimum of 3-1/2" available vertical surface).

c. **Hardware:** Handles, pulls, and associated edging, if required on fixtures and/or furniture, are brass with a non-tarnishing finish. Alternative hardware design must be approved by the Contracting Officer. The frame supports are molded (not router-cut) clear acrylic. Accessory board(s) are with the use of brass hooks, displays, mirrors, shelves, and/or décor-panels is permissible in lieu of clear acrylic mounts but must be approved by the Contracting Officer.

d. **Chairs:** Are to be laminate with sled bases (no protruding legs) with armrests for all patient/customer chairs. Dispensing technician chairs, with backs, can be without armrests, but must not be used for patients/customers. The upholstery on the chairs will be Momentum® Textiles, pattern name 'Sector', in the color 'Blueprint' with an applied stain-resistant coating.

e. **Lighting:** 50 watt Incandescent halogen canister fixtures finished in brass trim for all fixtures requiring this type of lighting. Alternatively, units may have overhead track or side lighting to illuminate the product on display.

f. **Display or Showcases:** May have glass shelving. Glass sides, with or without brass trim may be used. Units that are four (4) feet high or shorter must use tempered glass case tops. Mirrors must be adequate to afford patient/customer viewing of frames.

g. **Reception/Checkout Counters:** Must have at least a portion of the reception/checkout counter that is ADA-compliant to accommodate patients/customers in wheelchairs (or have a separate ADA-compliant counter with a separate and fully-functional POS system). Each manufacturer listed in the 'Approved Manufacturer Styles' paragraph in this exhibit can design the standards to specifically meet the needs and space requirements of each location. The suggested standard, dependent on space configuration, is a modular design consisting of the following:

- (1) Main reception counter approximately four-feet (4') in length, 28" in depth, and 31" in height, with an elevated 12" transaction counter, a sliding keyboard tray, and a desktop power grommet to accommodate electrical cords.
- (2) Two-drawer lockable file cabinet approximately two-feet (2') in length/width, 28" in depth, and 31" in height, to about on either the left or right side of the main reception counter, allowing for ADA compliance for serving patients/customers who may be in wheelchairs.
- (3) Accessory reception counter approximately four-feet (4') in length, 28" in depth, and 31" in height, with a pencil drawer, two (2) lockable file drawers, and a desktop power grommet to accommodate electrical cords, to abut perpendicularly, adjacently, or in proximity to the main reception counter.

h. **Other Information:** If further information is desired concerning the build-out matrix (paint colors, carpet colors, etc.) for the overall impression of the location, contact the local Services Business Manager (SBM) to obtain the most current design standard information. All ancillary equipment placed in facility must have an upscale appearance.

3. APPROVED MANUFACTURER STYLES.

a. The following manufacturers have designs established to conform to the Exchange approved color schemes. Upon request, these companies will provide information for suggested configurations of their fixtures. The companies are listed below in alphabetical order:

A-1 Custom Cabinets
446 Grandville Ave., SW
Grand Rapids, MI 49503

POC: Mr. Dan E. Kocher, 616-774-8808

Approved Style: Heritage

Eye Designs, LLC
220 West Fifth Avenue
Collegeville, PA 19426

POC: Alan Wittig 1-800-346-8890

Approved Style: AAFES Design

Fashion Optical Displays
958 McKale Road
Paradise, CA 95969

POC: Ms Lori Estrada, 1-800-824-4106

Approved Style: Legacy

b. Display or showcases must be included at each location. Dispensing tables can be combined with connecting display units or with a connecting same height computer POS checkout station. Independent checkout counters must also mirror/match the approved style.

4. USE OF ALTERNATIVE FIXTURE MANUFACTURERS. Offeror may submit an alternative frame fixture and furniture design or concept plan from another company other than those listed above. The alternative plan must accompany the contractor's proposal for evaluation and approval. No back-lit frame fixtures are permitted. Any fixtures used must adhere to the Exchange standards. The offeror shall provide explicit details to support that the proposed alternative fixtures meet or exceed Exchange specifications listed in this exhibit. If the Contracting Officer approves the substitution of fixtures and furniture, he/she will notify the contractor, and the contract will be amended to incorporate the fixtures and the furniture by name and model number. If the request to substitute is not approved, the offeror is required to furnish the fixtures and furniture specified. Alternative plans submitted for approval must contain:

- a. Manufacturer's name.
- b. Model numbers for all fixture and furniture pieces proposed
- c. Cut-sheets/diagrams for each piece of fixture or furniture proposed
- d. Number of frames each proposed fixture displays
- e. Color photographs or professional interior design depiction to show the exact fixture and furniture designs proposed to be used in the Exchange optometry clinic and optical shop.
- f. Professionally completed line drawings with exact layout and all dimensions of fixtures and furniture.

5. OPTICAL FRAME FIXTURE AND FURNITURE REQUIREMENTS. Offeror must submit the fixture and furniture information for the optical center in the following table. If quantity is zero, put "0". Only list number of frames displayed if the contractor is actually going to use the item for frame display (i.e., if intention is to use glass shelves on mirror separators as part of the total count for frame display, then list number of frames).

Fixture/Furniture Item	Dimensions of Unit (Height/Width/Depth)	Model Name / #	Company	Qty	# Frames Displayed
Frame Display Unit(s)	46" WIDE	LF-400D-AF	FASHION	4	360
Frame Display Unit(s)	32" WIDE	LF-400B-AF	FASHION	1	60
Frame Display Unit(s)	46" WIDE	LW-400D-AF	FASHION	4	360
Glass (Frame) Display Unit(s)					
Glass (Frame) Display Unit(s)					
Glass (Frame) Display Unit(s)					
Mirror Separator(s) <u>with</u> Glass Shelves		LI-403 B-AF	FASHION	4	
Mirror Separator(s) <u>without</u> Glass Shelves					
Wall Mirror(s)	20" X 56"	LM-406M-AF	FASHION	2	
Fitting Table Mirror(s) / Tabletop Mirror(s)			FASHION	3	
[CONTINUED ON THE NEXT PAGE]					

Fixture/Furniture Item (continued)	Dimensions of Unit (Height/Width/Depth)	Model Name / #	Company	Qty	# Frames Displayed
Computer Check-out Station(s) (Requires enough space for computer, monitor, cash drawer, printer, etc...)		LT-410NSWAF	FASHION	1	
Optical Shop Fitting/Dispensing Table(s)		IT-400A-AF	FASHION	1	
Optical Shop Patient/Customer Chairs:					
Optical Center <u>Waiting Area</u> Chair(s) with back, arms, and sled-base		R-CH-115 R-CH-114A	FASHION	7	
Optical Shop <u>Dispensing</u> Chair(s) with back, arms, and sled-base					
Optical Shop <u>Employee</u> Chairs/Stools:					
Employee Chair(s) with back and arms					
Employee Chair(s) with back but <u>without</u> arms		R-CH-102	FASHION	3	
Accessory Board or Display		SW-30/00-AF	FASHION	1	25
Filing Shelves/Cabinets for Records (must be lockable/HIPAA compliant)					
End Table(s)					
Magazine Rack(s)					
Additional Items: (or attach list)					
FITTING COUNTER MIRRORS				3	
LEGACY ILLUMINATION SQUARE OPEN ISLAND	19 X 56	LI-4000-AF	FASHION	1	

6. OPTOMETRY FURNITURE REQUIREMENTS.

Furniture Item	Dimensions of Unit (Height/Width/Depth)	Model Name / #	Company	Qty
Refraction Desk(s) (with trial lens drawer) (attach detailed line drawing)		EX-5R	FASHION OPTICAL	2
Screening Room Table(s)		TA-400D	FASHION OPTICAL	1
Special Testing Table(s)				
Contact Lens Area Table(s)				
Continued on Next Page				

Furniture Item (Cont.)	Dimensions of Unit (Height/Width/Depth)	Model Name / #	Company	Qty
Optometry Clinic Patient/Customer Chairs:				
Reception Area Chair(s) with back, arms, and sled-base (minimum of 6 required)		R-CH-115	FASHION OPTICAL	(2) 6
Screening Room Chair(s) with back, arms, and sled-base		R-CH-114A	FASHION OPTICAL	1
Special Testing Room Chair(s) with back, arms, and sled-base				
Contact Lens Area Chair(s) with back, arms, and sled-base				
Optometry Clinic Employee Chairs:				
Employee Chair(s) with back and arms				
Employee Chair(s) with backs but without arms				
Employee Stool(s) with back (minimum of 1 required)		R-CH-102	FASHION OPTICAL	(2) 1
Employee Stool(s) without back				
Doctor's Examination Stool(s)		R-CH-102	FASHION OPTICAL	2
Employee Standard Desk Chair(s)			FASHION OPTICAL	1
Filing Shelves/Cabinets for Medical Records (must be lockable / HIPAA compliant)		36" W x 20" D x 60" H	HON	2
Reception Area Table(s)		TA-411A	FASHION OPTICAL	1
Magazine Rack(s)			FASHION OPTICAL	2
Additional Items: (or attach list)				
RECEPTIONIST CHAIR		R-CH-115	FASHION OPTICAL	1

SECTION III - EQUIPMENT**1. GENERAL INFORMATION.**

a. Office Supplies: Contractor will provide all office supplies to conduct business (includes light bulbs). Supply cabinets and other storage must be compatible with the fixtures and overall ambiance of the Vision Center.

b. Telephones: Contractor supplies all regular telephones and fax machines.

c. All computers, related software, and other record keeping devices to capture, store, and/or transmit patient/customer information must be HIPAA compliant in accordance with the most current HIPAA regulations. Ensure sufficient fixture space to nicely accommodate all electronic devices.

d. Refrigerators: Contractor may use a refrigerator in the optometry clinic for pharmaceutical or culture medium storage. However, food (employee lunches) will not be stored in the same refrigerator as the pharmaceuticals or culture medium, etc. Each refrigerator must be prominently labeled according to purpose.

2. **OPTICAL SHOP EQUIPMENT.** All optical shop equipment must be furnished at each facility listed in this contract (unless otherwise dictated in the contract Schedule) and at any location that may be added to this contract in the future. If quantity is zero, put "0".

a. **Mini-lab Equipment:** The offeror must enter all mini-lab equipment information in the following table. At least one optical center employee must be capable of operating all of the mini-lab equipment to ensure service time requirements are met.

Mini-Lab Equipment	Qty	Model	Company/ Manufacturer	Additional Information	New / "Like New"
Edger (must edge plastic and polycarbonate)	1	PRACTICA	AIT	Circle one: Pattern / <u>Patternless</u>	LIKE NEW
Blocker	1	MINIBLOC	AIT		LIKE NEW
Tracer (required with Patternless edger)	1	CNC 3D	AIT	COMBO TRACER BLOCKER	LIKE NEW
Hand Edger	1		AIT		LIKE NEW
Pattern Maker (required with pattern edger)					
Tint Unit (minimum 8 compartments required)	1	OPTISAFE	PHANTOM	UV Coating capabilities required	LIKE NEW
Lens Groover	1			MANUEL	LIKE NEW
Full set hand tools (attach complete list)	2		HALLO		LIKE NEW
Lensmeter (circle type: Auto / <u>Manual</u>)	1			MANUEL	LIKE NEW
Drill Mount					
Soldering unit					
Lens Casting System (in-house, i.e., OptiCast™)					
Additional Items: (or attach list)	-----	-----	-----	-----	-----

b. **Other optical shop Equipment:** The offeror must enter all additional optical center equipment information in the following table. All required equipment has a minimum quantity listed. For required items quantity may be increased but not decreased without approval by the Contracting Officer.

Other Optical Equipment	Qty	Model	Company/Manufacturer	Additional Information	New/"Like New"
Facsimile Machine	1				
Copy Machine (or copy capability)	1	7430	BROTHER	MULTI FUNCTION COPY, SCAN & FAX	LIKE NEW
Lensmeter (circle type: Auto <u>Manual</u>)	1	CL-200P	TOPCON		LIKE NEW
Polariscope	1				
Zyl Frame Warmer (hot air, salt or bead bath)	1	12-050	HELCO		LIKE NEW
UV / Visible Light Meter	1	855F	BPI		LIKE NEW
Pupilometer	1	038001	BURTON		LIKE NEW
PD Rulers	1		Hoya		LIKE NEW
Other Optical Equipment	Qty	Model	Company/Manufacturer	Additional Information	New/"Like New"
Geneva Lens Measure (Clock)	1		WESTERN		LIKE NEW
Lens Caliper	1	NO. 8	SADLER		LIKE NEW
Adjustment/Repair Kit (attach complete tool list)	1		HELCO		LIKE NEW
POS System and Software to be used (attach full description)	1	(b)(4) Confidential/Proprietary			
Additional Items: (or attach list)	-----	-----	-----	-----	-----

c. **Bench Stock:** Offeror is to maintain a minimum bench stock of single vision lens blanks, in 0.25 Diopter increments in at least one material (poly or Trivex advised) as outlined in the following table. Offerors desiring to carry a more extended bench stock assortment must submit a listing of the extended stock assortment to be carried at this location.

Power	Material(s): (with factory-applied scratch coating)
Sphere:	-0.25 to -3.00
	Plano
	+0.25 to +3.00
Cylinder: (as written in minus-cylinder form)	-0.25 to -2.00 (in 0.25D steps)

a. EQUIPMENT:

- 1 Facsimile machine
- 1 Copy machine (Exact copy of doctor's written prescription required in patient's optical file)
- 1 Lensometer (Documentation of biannual calibration required)
- 1 Polariscope
- 1 Zyl Frame Warmer (salt or bead bath)
- 1 UV / Visible Light Meter
- 1 Pupilometer

- 3 PD Rulers (Nonmetallic)
- 1 Lens Clock
- 1 Lens Caliper

b. PLIERS:

- 1 Looping Plier
- 1 Endpiece Angling Plier
- 2 Snipe Nose Pliers
- 1 Side Cutting Plier
- 1 Chappel End Cutting Plier
- 1 Axis Aligning Plier
- 1 Rubber Jaw Plier
- 1 Vertical Hinge Gripping Plier
- 1 Wide Temple Angling Plier

c. FILES:

- 1 Screw Head File
- 1 Screw Finishing File
- 1 Pillar File
- 1 Half Round File
- 1 Zylonite File

d. MISCELLANEOUS TOOLS:

- 1 Set of Screw Extractors
- 1 Locknut Wrench
- 2 Screw Drivers with extra blades

e. FURNISH ITEMS IN EITHER GROUP I OR GROUP II:

GROUP I

- 1 Riveting Anvil
- 1 Automatic Punch
- 1 Punch Plier
- 1 Technicians Hammer

GROUP II

- 1 Staking Set with punches and dies

f. Tint unit capable of providing solid and gradient tints and UV coatings. Tint unit must have a minimum of eight (8) tanks.

Sunland Optical, Inc.
Optical Shop Equipment Listing
Attachment To Page 6 and 7 of Exhibit G,
Concessionaire/Contractor Furnished Equipment

3. **OPTOMETRY CLINIC EQUIPMENT.** The contractor must furnish at least one complete optometric exam lane, with all of the necessary equipment needed to perform a complete vision examination. The offeror must enter all optometry equipment information into the following table. Required equipment has a minimum quantity listed. For required items, quantity may be increased but not decreased without approval of the Contracting Officer.

Equipment	Qty	Model	Company/ Manufacturer	Additional Information	New/"Like New"
Stand	2	78001 C	RELIANCE		LIKE NEW
Chair	2	6200 L	RELIANCE		LIKE NEW
Phoropter (minus cylinder)	2	RHRCO)	REICHERT		LIKE NEW
Keratometer (circle type(s) Auto/Manual)	2	ORION	REICHERT		LIKE NEW
Biomicroscope	2	3 Z	REESEVIT	3 MAGNIFICATION	LIKE NEW
Chart Projector (or equivalent; i.e., BVAT)	2	12084	REICHERT		LIKE NEW
Adult Slides for Projector	2	11180	REICHERT		LIKE NEW
Children's Slides for Projector	2	11077	REICHERT		LIKE NEW
Occluder (opaque and pinhole)	2	PM-17	LORGNETA		LIKE NEW
Stereopsis Test	2	50-001	REICHERT		LIKE NEW
Color Vision Test(s) (Ishihara, PIP, etc.)	2	CTR-101	REICHERT		LIKE NEW
Applanation Tonometer	2	2-1	VEATCH		LIKE NEW
Direct Ophthalmoscope [include handle(s)]	2	BETA 206 TL	HEINE		LIKE NEW
Binocular Indirect Ophthalmoscope (BIO)	2	OMELA 180	HEINE		LIKE NEW
Retinoscope [include handle(s)]	2	BETA 200 X	HEINE		LIKE NEW
Transilluminator [include handle(s)]	2	TSHEO)	HEINE		LIKE NEW
Fundus Lens (20D)	2				
Fundus Lens (minimum of two 78D, two 90D, two 100D, or one of each -- (please specify)	2	20D, 78D 90 D	VOLIC		LIKE NEW
Gonioscopy lens (3-mirror or 4-mirror)	2	3 MIRROR	OCULAR		LIKE NEW
Trial Lens Set (with Trial Frame)	2	TLOP03	VEATCH		LIKE NEW
Pachymeter	1		TOMEY	SP-100 HANDHELD	LIKE NEW
Lensmeter (circle type: Auto/Manual)	1	CLM-3100P	REICHERT	AUTO WITH PRENTAL	LIKE NEW
Automated Visual Field Analyzer	1	FIELD ANALYZER II	HUMPHREY		LIKE NEW
Continued on Next Page					

Equipment	Qty	Model	Company/ Manufacturer	Additional Information	New/"Like New"
Autorefractor (or Auto-Refractor/Auto Keratometer Combination)	1	MRK 3100P	HUYTZ		LIKE NEW
Noncontact Tonometer (NCT)	1	AT555 AUTON	REICHERT		LIKE NEW
Corneal Topographer					
Nerve Fiber Analyzer (i.e., HRT, GDX, and/or OCT)					
Radiusgauge	1	RDMA01	REICHERT		LIKE NEW
Fundus Camera (circle: mydriatic /nonmydriatic)	1	CL6-45MA	CANDON		LIKE NEW
Front Surface Mirror Set	1				LIKE NEW
Additional Equipment: (or attach list)	-----	-----	-----	-----	-----

SECTION IV - COMPUTER REQUIREMENTS

1. **COMPUTER REQUIREMENTS** Contractor must provide a computer-based Point of Sale (POS) system with levels of password protection capable of performing, but not limited to, the following functions:

a. Sale Audit Access: Must be available at any time during the business day. Report must indicate tender type, balance due on orders, net sales, refunds, adjustments and personnel opening cash drawer. Other reports may be requested by the Exchange and must have the capability to provide a variety of data.

b. Cash Drawer: The POS system must identify who accesses the cash drawer and whether it is opened as part of a customer transaction or as a no-sale transaction. The cash drawer will have an emergency release feature.

c. Patient/Customer Receipts: Every patient/customer is required to receive a receipt for any and all transactions. The POS system must have the ability to reprint a receipt, on command, at the request of the patient/customer, Services Business Manager (SBM), Contracting Officer, or any other authorized party. Receipts must be electronically printed and must detail all components and costs of the transaction. The only exception to an electronically printed receipt is in the event of failure of the computer-based system. In this case, a hand-written receipt must include the same information that would have been on the electronically printed version. This includes, but is not limited to:

Optical Shop

- (1) Frame(s), lenses, coatings, tints, and special services.
- (2) All discounts.
- (3) Refunds and/or remakes.
- (4) Sales tax, if applicable.
- (5) Date Ordered and Date Promised, with space allowed for the Date Verified block.

Optometry Clinic

- (1) Services rendered with associated Current Procedural Terminology (CPT) Code, if applicable.
- (2) All discounts.
- (3) Refunds.
- (4) Sales tax, if applicable.
- (5) Other pertinent information or comments.

d. Patient/Customer Orders: The POS system must have the ability to track patient/customer orders being processed. Work-in-progress reports must be available on command with reasonable progress details.

e. Reports:

- (1) Transactions are totaled at the end of every business day, detailing all sales, refunds, remakes, and warranties.
- (2) System must have the ability to generate daily, weekly, and monthly production reports, which break transactions down:

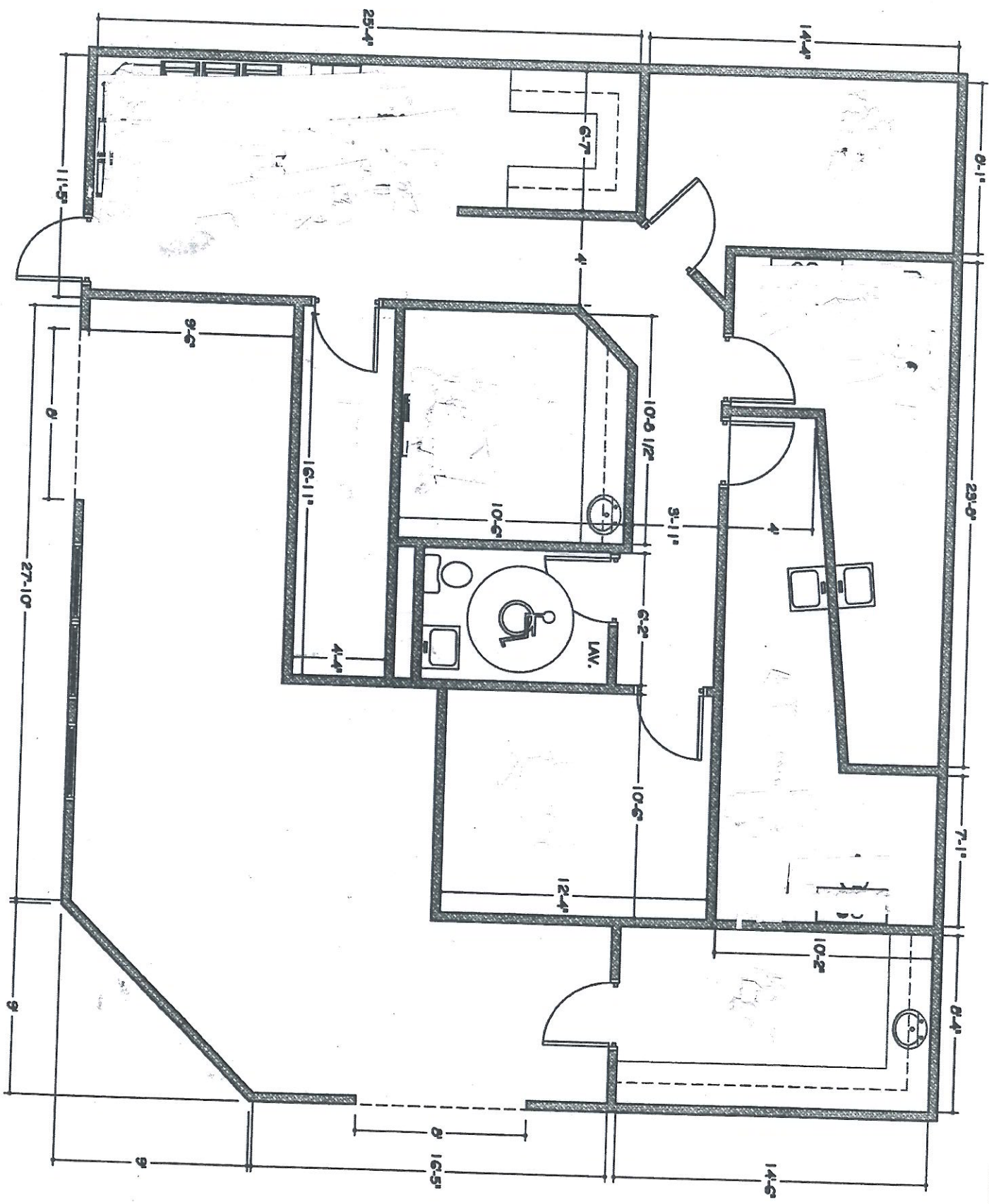
Optical: Spectacle sales, spectacle units, frame-only sales, lens-only sales, contact lens sales, sunglasses sales, and other merchandise. Data from this report is used to complete the monthly settlement report. Additional reports from the POS system will illustrate sales mix by lens style, material, and options for both single vision and multifocal transactions

Optometry: Service/procedure nomenclature, corresponding CPT code (if applicable), and all other merchandise sold. Data from this report is used to complete the monthly settlement report. Patient/Customer information must be maintained at a central HIPAA-compliant data base with the ability to retrieve vital information upon request from Exchange management for customer surveys or other marketing efforts. This data should be sorted by customer zip codes, dates of purchase, type of products purchased, and by date of last examination. System must maintain patient/customer history illustrating all purchases, prescription history, remakes, and warranties. This data will be maintained according to current HIPAA compliancy standards.

- (3) System must have the ability to report sales by associate to monitor individual performance.

f. Inventory Control: Inventory of frames, stock lenses, contact lenses, and all other merchandise received must have a manifest that can be reconciled with the POS system. All inventories must be received in the system, and manifests must be kept on file for no less than 30 days.

g. Instruction Manuals: Contractor is to supply copies of all instruction manuals for the POS system to the Contracting Officer. Electronic copies are preferred, but hard copies are also acceptable.



Attachment #1 to,
Exhibit G, Concessionaire Furnished Equipment to,
Solicitation SDVC-11-011-11-472

EXHIBIT H

OPERATING STANDARDS AND SPECIFICATIONS

SECTION I - SERVICES

1. OPTICAL CENTER SERVICES.

a. Contractor is to ensure the performance of at least, but not limited to, the services listed below:

(1) Fill prescriptions, and/or replace prescription lenses, for all products with a valid prescription.

(2) Provide a selection of ophthalmic-quality eyewear, quality accessories, and customer service comparable to independent commercial optical stores and dispensaries in the surrounding local community.

(3) Repair spectacle frames, maintain a frame repair stock, and provide as-you-wait repair services for the most common repairs.

(4) Provide each patron with a written copy of the warranty applicable to the purchase. See Exhibit I for further warranty information.

(5) Stock an assortment (at least two different brands) of contact lenses, approved by the US Food and Drug Administration (USFDA) available for immediate sale to patients/customers. The range and assortment should be adjusted, based on the specific contact lens order history at the installation. Contractor will order other USFDA-approved contact lenses for dispensing or for delivery to the prescribing optometrist or ophthalmologist as required.

(6) Ensure private medical and identification information conforms to the Privacy Act (5 USC 552a) and current Health Insurance Portability and Accountability Act (HIPAA) regulations.

(7) The Exchange-registered dispensing optician must perform duties in addition to the minimum duties assigned to other employees/associates. These duties include, but are not limited to:

(a) Subject Matter Expert in:

1. Selection of frames for proper fit in relation to Pupillary Distance (PD), prescription, and intended use.
2. Selection of lenses, color tints, and coatings.
3. Adjustment of frames for the proper fit.

(b) Verify orders are made per specifications, within current American National Standards Institute (ANSI) tolerances, and prices are correct.

(c) Ensure employees are trained in frame/lens selection, adjustments, optical terminology, and office procedures in order to assist patients/customers.

(8) Optical Service Order Form and Eye Protection/Duty to Inform Advisement. The contractor must use a computer-generated form to place orders and record sales. The POS system must mirror information on the most current AAFES Form 6650-012. Each order is to have applicable information filled out on the form to include a phone number or other method by which the customer can be reached (military unit phone number is acceptable). Each authorized extra charge must be listed separately. The "Verified By" block must be the dispensing optician's legible signature (not initials) and must be dated when verified (time needed only when hourly service is offered). Every patient/customer must sign and date the form upon placing the order. Only when the POS system is inoperable may the contractor use AAFES Form 6650-012 to accept customer orders. As soon as the POS system is operable, information is to be loaded into the POS system and a copy of the POS-generated order form attached to the AAFES Form 6650-012. Reproducible copies of AAFES Form 6650-012 (REV NOV 05) are included as an Enclosure to this Exhibit. The Services Business Manager

(SBM) should check Exchange forms and publications website(s) to confirm the most current rendition utilized by HQ, The Exchange Health Care Services.

(9) **Eye Protection/Duty to Inform Advisement:** Every patient/customer must read and sign this advisement, regardless of the type of frame/lens purchased. The advisement on the most current AAFES Form 6650-012 must be present (word for word) on the Optical Service form, or on a separate statement kept on file with each patient's/customer's signature (or the signature of the respective parent/guardian). AAFES Form 6650-012 for advisement is allowed but only the name, address, phone, and signature and date blocks should be utilized in this case. All other data blocks should be single-lined out and initialed. Excerpt below is from AAFES Form 6650-012 (REV NOV 05):

Eye Protection/Duty to Inform Advisement	
<p>“Professional responsibilities require you to know of eyewear specifically designed to help protect eyesight. Spectacle materials for “dress eyewear” meet federally established “dress eyewear” impact resistance standards. Many patients desire more protective eyewear made of materials engineered to meet more protective American National Standards Institute (ANSI) standards. Additionally, high-impact resistance is available in “eye armor” designed for sports, industrial use, work around the home, and hobbies. Eyeglasses can also have special lens coatings, treatments, and lens materials to increase protection from harmful light. Also, to modify protective eyewear to other than the approved version could compromise eyewear integrity and safety protections intended by the original manufacturer and; thereby, <u>possibly</u> increase eye injury risks.”</p> <p style="text-align: center;"><i>Please sign below to indicate you were informed of your eye protection options.</i></p>	
Patient/Customer Signature:	Date:

b. The following actions are not authorized in the Exchange optical shop:

- (1) Perform eye examinations or prescribe optical devices.
- (2) Duplicate prescriptions through lens neutralization.
- (3) Honor expired spectacle prescriptions, make or sell lenses, or provide temporary lenses from expired, unsigned, undated, or otherwise invalid prescriptions.
- (4) Honor contact lens prescriptions that are expired, unsigned, undated, or are otherwise invalid.
- (5) Dispense eyewear not verified/accepted by an Exchange-registered dispensing optician(s)

2. OPTOMETRY CLINICAL SERVICES

a. The Exchange-registered provider performs at least, but not limited to, the services listed below:

- (1) Perform all procedures/services in accordance with the laws and regulations of the State Board of Optometry in the state in which the clinic is located. Services must meet or exceed the standard of care in the local community and that required by Tri-Care.
- (2) Provide eye health examinations as defined by the current standards of the American Optometric Association and current standards of care.
- (3) Provide consultation with the patients to discuss the results of the eye examination. Refer patients to the appropriate medical specialty for further examination when necessary. Referrals of active duty military, retirees, and beneficiary family members are directed through the local military Medical Treatment Facility (MTF), appropriate specialty,

and/or local TRICARE liaison offices. Referrals and consultations are to be logged and monitored to ensure appropriate care.

(4) Give the patient a written copy of any spectacle prescription. Release contact lens prescriptions to the patient upon the provider's professional judgment and within federal and state law requirements.

(5) Fit contact lenses, provide insertion/removal instruction, and provide contact lens follow-up care as appropriate. Provider may elect to stock an assortment of USFDA-approved contact lenses available for immediate sale to patients. . Provider may elect to prescribe other USFDA-approved contact lenses.

(6) Establish an after-hours emergency care plan. Patients with emergencies must be able to contact the provider or the clinic to receive instructions for prompt treatment. Signage and after hour answering devices instruct patients in case of an emergency call 911.

(7) Provide co-management services as appropriate.

(8) Provide additional clinic hours (or providers) when access standards reach 14 calendar days or 10 business days; whichever comes first, for either two consecutive months or for a total of four months of any calendar year throughout the length of the contract.

(9) Maintain patient medical records as required by federal, state, and local regulations to include compliance with the Health Insurance Portability and Accountability Act (HIPAA). Records are to be available for review upon request from any federal, state, installation, investigative, or Exchange authority.

(a) Each Tri-Care credentialed provider is the custodian of the medical records. Upon a changeover of contract, the applicable state's optometric laws must dictate any transfer of medical records.

(b) The contractor and/or provider must provide adequate and appropriate security and space for all patient records.

(c) Upon request, copies or summaries of records are to be given to a patient for a posted fee determined by the provider and competitive with similar fees charged in the local civilian community. Upon request, copies are to be provided to the military medical facility and/or the Exchange free of charge.

(d) The provider is to use a record jacket for hardcopy medical records.

(e) The provider may use a computerized business system for automated-records, but must also maintain a hard copy in the patient's medical records as required by state and/or federal requirements.

(f) The medical record must be legible and contain sufficient information to identify the patient, support the diagnosis, justify the treatment, and accurately document the results. Complete signatures must be entered in the record and must be accompanied by a legible name stamp to be provided by the contractor.

(g) The provider is to ensure the storage of medical records and the release of private medical and identification information conforms to the Privacy Act (5 USC 552a) and current HIPAA regulations.

SECTION II - STAFFING

1. OPTICAL SHOP STAFFING

a. All employees of the Exchange optical center must be registered with the HQ, Exchange Health Care Services per this Exhibit.

b. Contractors must have personnel qualified to operate all mini-lab equipment (if provided) and to meet service time requirements.

c. All employees of the Exchange optical center must be familiar with the contract and the contractor's optical policies/procedures, even if the employee is unable to assist the patient/customer for a specific service. A copy of the following applicable parts of the contract must be maintained in the optical shop at all times: Schedule, Price Schedule, Concessionaire/Contractor Furnished Equipment, Operating Standards and Specifications (with enclosures), and

Warranty and Refund Requirements. Any contractor-approved price lists for services or merchandise must also be available.

d. The optical center is to be staffed with at least one Exchange-registered, state-licensed dispensing optician (or ABO/AOA/NCLE certified dispensing optician if the state does not require state licensure). Only this individual (or these individuals) may verify and document spectacles and contact lenses for compliance with current applicable ANSI standards before spectacles or contacts may be dispensed to patients/customers.

2. OPTOMETRY CLINIC STAFFING

a. Employees of the Exchange optometry clinic are to be registered in the current state and with the HQ, Exchange Health Care Services Quality Improvement Program per this Exhibit.

b. The contractor (and/or provider) must have personnel qualified to operate any equipment with which they are expected to perform testing and to maintain proficiency for the same.

c. Employees of the Exchange optometry clinic must be familiar with the contract and contractor optical policies/procedures, even if the employee is unable to assist a patient/customer for a specific service. A copy of the following applicable parts of the contract must be kept in the optometry clinic at all times: Schedule, Price Schedule, Concessionaire/Contractor Furnished Equipment, Operating Standards and Specifications (with enclosures), and Warranty and Refund Requirements. Any contractor-approved price lists for services or merchandise must also be available.

d. Optometry clinics must be staffed with at least one state-licensed and TRICARE credentialed optometrist. TRICARE defines a provider as a person, business, or institution that provides or gives health care. For example, a doctor is a provider. A hospital is a provider. An ambulance company is a provider. A provider must be authorized under the TRICARE Regulation and must have their authorized status verified (certified by the TRICARE Area Provider). Provider must accept Medicare and additional insurance for example AETNA.

e. TRICARE must credential a provider (optometrist). The provider/optometrist must sign a contract with TRICARE to become a member of the TRICARE network. The credentialing process involves obtaining primary source verification of the provider's education, copy of their license, professional background, malpractice history, and other pertinent data.

f. Students enrolled as optometry students in an accredited College of Optometry are permitted to work or observe in the Exchanges optometry clinic for the purpose of earning hours credited toward an optometry degree. However, the presiding provider must be fully accredited by the applicable College of Optometry as Adjunct Faculty to perform as a proctor to the student. Although not considered an employee, the student must still be registered and approved with the HQ, Exchange Quality Improvement Program per this Exhibit.

SECTION III – OPTICAL CENTER SERVICE TIMES

1. CALCULATION OF SERVICE TIMES.

a. Service times begin the day after the order was taken. The service time end date is the date the dispensing optician verifies and signs the order as accurate and ready for dispensing to the patient/customer, not the date the order was received by the optical center. Day ordered, Sundays and federal holidays are not counted.

b. Service times for hourly service; if offered, begins immediately after the order is taken. The service end time is not the time the order was received/completed by the mini-lab, but rather the time the dispensing optician verifies and signs the order as accurate and ready for dispensing to the patient/customer.

c. Orders are tracked separately within each service time category. The contractor will not to have more than 10% of total orders late in any category at any time.

2. **PROMISED DELIVERY DATE.** At the time the order is placed, the contractor must provide each patient/customer, in writing, a promised delivery date (or delivery time if hourly service is offered) in accordance with the delivery schedule established in the chart below or in accordance with the offeror's approved alternative service time chart. If an order is not received on time, the contractor must notify the patient/customer that the order will be late and explain the late discount policy.

3. **SERVICE TIME LIMIT CHART.** Service times allowable under the contract are:

Service Time Limit	Items
1 Day	- Mini-lab lens stock assortment (if applicable)
5 Days	- Single-vision and multifocal lenses (except glass lenses) not coated with factory-applied scratch coating or do not require special treatment - Spherical contact lenses
10 Days	- Lenses-only orders (when spectacles must be sent to lab) - Glass lenses, polarized lenses, Anti-reflective Coatings - Toric and specialty contact lenses - All other specialty lens treatments that cannot be done on site (i.e., specialty tinting, drill mounting, etc...)

If offeror submits an alternative service time limit chart, and it is accepted, the offeror's chart will be used to determine the allowable service times. However, offeror's service time limit chart shall not contain service times that exceed the requirements shown on the preceding chart.

Alternative Service Time Limit Proposal	Items
<u>1</u> Hour(s) <small>(If hourly service is not offered, default is 1 Day)</small>	- Mini-lab lens stock assortment (if applicable) with factory-applied scratch coating on all lenses
<u>5</u> Days	- Single vision and multi-focal lenses (except glass lenses) which do not require special treatment - Spherical contact lenses
<u>10</u> Days	- Lenses only orders (when spectacles must be sent to lab) - Glass lenses, polarized lenses, Antireflective Coatings - Toric and specialty contact lenses - All other specialty lens treatments that cannot be done on site (i.e., specialty tint, drill mounts, etc.)

- a. Service Time Limit categories are not cumulative. For example, the service time limit for a high index, anti-reflective coating order is not 15 days (5 days + 10 days); it is 10 days.
- b. Service Time Limit Chart must be displayed at the checkout location.

4. **LATE DELIVERY POLICY.** The Late Delivery Policy must either be displayed at the checkout location or be provided in writing to every customer at the time of order. The chart and the late delivery policy must be explained to the patient/customer at time of order. If the contractor fails to provide an order by the promised delivery date (or by the promised delivery time if hourly service is offered), a late delivery discount/refund is to be applied to the patient's/customer's order. See Exhibit D, Section I, Paragraph 4, for specific information.

5. **TRANSMISSION OF PATIENT/CUSTOMER ORDERS.** Contractor must provide facsimile, E-mail transmission, same-day courier service or remote tracing for patient/customer orders that must be transmitted to an off-site lab for processing. Patient Owned Frames (POF) will be sent by priority mail or courier service.

SECTION IV - PUBLICATIONS.

1. **OPTICAL SHOP PUBLICATIONS** The contractor must furnish and maintain at each optical center the most current publications listed below. The contractor must retain copies and pages, thereof, which become obsolete or are superseded by changes for 120 days. The publications must be available to Exchange personnel upon request. If any of these publications is in electronic format (CD, DVD, etc.), appropriate equipment to access the information must be available on site.

a. *FRAMES* (Monthly and Quarterly issues), published by *FRAMES* Publications, Inc.

b. American National Standards Institute's (ANSI) standards for Ophthalmic-Prescription Ophthalmic Lenses-Recommendations ANSI Z80, Z136, Z287, Occupational Safety and Health Act (OSHA) 1910, American Society for Testing and Materials (ASTM) standards for street eyewear, sun eyewear, and safety eyewear, and the most current updates of the Ophthalmic Lab Association (OLA) to ANSI Z80.

c. *Tyler's Quarterly – Professional Edition* or *Contact Lenses Quarterly* (a publication by *FRAMES* Publications, Inc.) and all available warranty information for all contact lenses ordered by the contractor.

2. **OPTOMETRY PUBLICATIONS** The contractor may elect to provide the most current of the following regulatory publications for reference in the optometry clinic. The information within these documents must be strictly adhered to as it applies to the Exchange optometry clinic. In the event of a conflict between regulations applicable to this contract, the contractor must refer the issue to the Contracting Officer before taking any action. The contractor is required to comply with any state or local requirements pertaining to the delivery of health services.

a. Joint Commission on Accreditation of Healthcare Organizations (JCAHO) documents: *Accreditation Manual for Ambulatory Care – Standards*; *Accreditation Manual for Ambulatory Care – Scoring Guidelines*; *Quality Improvement in Ambulatory Care*.

b. State Optometry Laws, Statutes and Policy Letters for the state in which the optometry practice is located.

SECTION V - PRESCRIPTION INFORMATION

1. **DISPOSITION OF WRITTEN PRESCRIPTION.** Original prescriptions are to be returned to the patient/customer. Contractor is required to keep a copy of the provider's original prescription in the patients/customer's optical file and/or medical record. The copy must include the prescribing provider's signature and the exam date (or prescription date). Civilian or military optical order forms are not considered proof of a valid prescription and do not fulfill this requirement.

2. **VALID PRESCRIPTIONS.** Prescriptions are considered current for spectacle lenses for one year from the exam date, unless specified otherwise by the prescribing provider. Prescriptions are considered current for contact lenses for one year from the exam date, unless specified otherwise by the prescribing provider. In no instance is a prescription without the prescribing provider's signature and an exam date or prescription date considered valid.

EXAM RECOMMENDATIONS To avoid spectacle remakes or contact lens reorders, the contractor should recommend the patient have a re-examination if his/her prescription is more than 6 months old .

3. **CLARIFICATION OF CONTACT LENS PRESCRIPTION INFORMATION** For contact lenses, the contractor must fill the prescription exactly as stated on the contact lens prescription from an optometrist or ophthalmologist. If any information is missing from the prescription, or appears questionable or contradictory, the contractor must contact the prescribing provider for clarification before placing the order. Such clarification is mandatory unless missing information is

self-evident. For example, if the provider prescribes a particular series of contact lenses which comes in only one base curve and water content, the base curve and water content are; therefore, implicitly indicated.

4. **ADAPTATION PROBLEMS** Upon verification that the spectacle prescription meets standards for conformity set by federal regulations and ANSI standards, patients who continue to have adaptation problems with the spectacle or contact lens prescriptions are to be referred back to the prescribing provider for resolution.

SECTION VI – OPTICAL SHOP SPECTACLE FRAMES

1. GENERAL INFORMATION – SPECTACLE FRAMES

a. Price Categories. The contractor will provide a selection of ophthalmic-quality frames in low, medium, and upper end price ranges. The price categories include: Image I, Image II, Image III, Image Extra, Sports Image, Sports Frames (other than Sports Image), and Safety Frames.

b. Display Categories. The contractor will display ophthalmic-quality frames in the standard frame display categories of: Men's, Women's, Youth, Contemporary, Sunglasses, and Sports. The categories of Safety and Designer may also be used in addition to the standard categories if desired. Category titles other than the aforementioned must be approved by the Contracting Officer.

c. Contractors must maintain current styles and trends and are highly encouraged to display brand name products. There must be an equitable mix of metal and plastic frames to mirror current market trends. Questions or problems regarding frame assortments will be elevated to the Contracting Officer for resolution.

d. Metal frames and metal parts on all frame types must be corrosion resistant.

e. All frames must be imprinted by the manufacturer with the information listed below. This information is in conjunction with a frame directory (or invoice statement), which allows frame identification.

(1) Manufacturer's name, trademark logo, or designer name.

(2) Model/Style name or number.

(3) Eye size/bridge size (DBL) and Temple Length.

(4) Country of origin.

f. All frames on display must be tagged or labeled on the frames, not on the demonstration lenses. Contractor may use any tag or label that is attractive and functional, however string tags are not allowed. As a safety precaution, tags must not be placed on the frame in the proximity of where the customer's eyes will be when trying on or wearing the frame. If an adhesive backed tag is used, the residual adhesive must be cleaned from the frame prior to dispensing. The contractor must remove and replace any tags that become loose, torn, or otherwise unsightly while on display. The tags must correspond to the different complete-pair package pricing categories. Pricing categories that are not complete-pair package pricing must clearly show the price.

g. Contractor will not display frames that are marred, damaged, distorted, missing screws, dirty, etc. All displayed frames must be new and have mounted demonstration lenses that are free of dirt, grime, smudge marks, lens placement markings, etc.

h. Contractor is not to stock or sell frames containing cellulose nitrate or other highly flammable material.

2. **FRAME ASSORTMENT AND COMPLETE-PAIR PACKAGE PRICES** This location is to display a minimum of 600 frames, to include a minimum of 500 street Rxable spectacles (spectacles that are suitable for prescription lenses for regular everyday wear). There will be no more than 50% duplication of styles. (Example: If 600 frames in quantity are required, there may be 300 different styles of frames but only two (2) of each style; same style must differ in color or size). Contractor must determine the total frame space available for each category according to the frame fixtures proposed. If

not otherwise listed, the contractor will determine the frame numbers, styles, colors, and sizes associated within each of the categories and list the frame count quantities in the following table:

Frame Assortment by Price Category	# Frames Displayed
Image Complete-Pair Package Price (SV)	(b)(4)
(1) ≤ \$ 40.00 Image I (require 25 minimum / 50 maximum):	Confidential/
(2) ≤ \$ 60.00 Image II (require 25 minimum / 50 maximum):	Proprietary
(3) ≤ \$ 90.00 Image III:	
Image Extra (frame price only – not a package price)	
(4) \$ 90.00 - \$149.00 Image Extra frames:	
(5) ≥ \$ 150 Image Extra frames:	
SUBTOTAL of Street Rxable Frames only [total of (1)–(5) above]:	
Other Frames:	
Ready-Made Sunglasses (with nonprescription lenses)	
(Frame price with or without lenses – not a package price)	
Sports Image Complete-Pair Package Price (SV)	
(7) ≤ \$ 80.00 Sports Image Frames (minimum 15 different styles):	
Sports Frames (other than Sports Image, if offered – OPTIONAL)	
(8) (Frame price with or without lenses – not a package price)	
Safety frames (if offered - OPTIONAL):	
(9) (Frame price with or without lenses – not a package price)	
TOTAL Number of Frames [total of (1)–(9) above]:	

3. **DISCONTINUED FRAMES.** Discontinued frames are those which are no longer available from the manufacturer. Exchange authorizes the sale of discontinued frames only if they are clearly marked "DISCONTINUED FRAME" and are displayed separately or distinctly from current frames. Discontinued frames must carry the same warranty as similarly priced non-discontinued frames. If a discontinued frame is returned under warranty and a different frame is given as a replacement, then lenses for the new frame are to be provided at no charge to the patient/customer.

4. **PRIVATE LABEL FRAMES (PLF).** Contractor may sell Private Label Frames (PLF), defined as brands not listed in the most recent edition of the *FRAMES* publication. The frame is not considered a PLF if it is available from other frame manufacturers or sources other than the contractor. Frames with another company's brand or model name scratched out (or removed by other means) and replaced with the contractor's brand name are not authorized. Private Label Frames may not constitute more than 25% of the total frames displayed in any one price category.

5. **Sports Image Complete-Pair includes:**

- a. Sports frame
- b. ANSI Z-87.1 and/or ASTM compliance

6. **SPECIAL ORDER FRAMES (SOF).** The contractor is required to order a Special Order Frame (SOF) at the patient's/customer's request. The only justification for not ordering the SOF is if the frame is no longer available from the manufacturer.

7. **SPECTACLE CASES.** One spectacle case is to be furnished free of charge with each spectacle purchase. Cases for plastic lenses are to be lined with an anti-static pile fabric.

SECTION VII – OPTICAL CENTER SPECTACLE LENSES

1. **GENERAL INFORMATION – SPECTACLE LENSES.** All lenses furnished, whether from the mini-lab in-stock assortment or provided from an outside source, must comply with:

a. Current American National Standards Institute (ANSI) '*Ophthalmics – Prescription Ophthalmic Lenses – Recommendations*', plus current updates from the Optical Laboratories Association (OLA).

b. Impact resistance requirements of the Food and Drug Administration (FDA) regulations. Lenses are not to be referred to as safety lenses if they are not treated, manufactured, and/or tested per FDA regulations.

c. Lenses are not to be described as shatterproof, unbreakable, or in any manner to imply the lenses will not break or that impact-resistant lenses break into less injurious fragments than other lenses.

d. Lenses in sports eyewear must meet or exceed the standards set forth by the American Society for Testing and Materials (ASTM) with respect to the *Standard Specification of Eye Protectors For Use by Players of Racquet Sports* (Designation: F803-94).

e. Sports and safety/protective eyewear is to include polycarbonate, Trivex, or equivalent ANSI-approved impact-resistant lenses, unless designated otherwise specifically by the manufacturer or the provider's written prescription. In no case are lenses to be made to parameters beyond those recommended by the manufacturer.

f. Sunglasses must have an overall transmission lower than 50% (must block at least 50%). Less than 50% absorption lenses are considered fashion tints and must not be promoted as protective.

g. Ready-made sunglasses must also conform to the most current American National Standard Institute (ANSI) '*Non-Prescription Sunglasses and Fashion Eyewear – Requirements*'.

h. Any lens treatments (i.e., scratch coating, UV coating, Anti-reflective coating) ordered by the patient/customer **must** have laboratory certification on the completed order form that the treatment(s) was provided.

2. **COSMETIC APPROACHES**

a. Balance lens: Must be of the same lens type (single vision, bifocal, etc.), material, relative base curve, approximate center thickness, and edge treatments as the prescribed lens.

b. Base Curve: Habitual base curves must be matched (+/- 0.75D) unless the prescription specifies otherwise.

c. Hide-A-Bevel: Lenses with an edge thickness of 2.6mm or greater are edged using a 1/3-2/3 hide-a-bevel.

3. **TINT DISPLAY.** Contractor must have a professional display of sample lens tint colors (solid and gradient) for available color options to show the customer. Contractor must also have transmission data available for each tint option available.

SECTION VIII - CONTACT LENSES

1. **GENERAL INFORMATION – CONTACT LENSES**

a. The contractor is not required to supply free diagnostic contact lenses to the military optometry clinic or any military optometrist or ophthalmologist; however, this practice is not precluded or restricted.

b. Contact lenses must be made to comply with American National Standards Institute's (ANSI) '*Prescription Requirements for First Quality Rigid Contact Lenses*'.

c. Contact lenses may be modified and/or the Rx changed only according to the written instruction of the examining optometrist or ophthalmologist.

2. **DISPENSING CONTACT LENSES**

a. When contact lens prescriptions are written on civilian or military prescription forms, contact lenses may only be dispensed directly to patients, unless otherwise directed by the prescribing provider, state law, or this contract.

b. If the laws or regulations of the location in which the optical center and/or optometry clinic is established prohibit dispensing directly to patients, the contact lenses will be sent to the prescribing provider to be dispensed in accordance with the prescribing provider's directives and in direct coordination with the prescribing provider. At the option of the contractor, the contact lens manufacturer may be directed to ship the lenses directly to the examining provider with a shipping memorandum to the contractor.

3. **CONTACT LENS CASES.** Contact lens cases sold/dispensed must be able to be disassembled for thorough cleaning of all portions of the cases. Contact lens cases cannot contain any sponge-like material or other absorbent components. Contact lens mailers are not deemed to be cases.

SECTION IX – QUALITY IMPROVEMENT PROGRAM

(1) **GENERAL INFORMATION – QUALITY IMPROVEMENT (OPTICAL SHOP AND/OR OPTOMETRY CLINIC).**

a. **PURPOSE.** The contractor shall establish a separate Quality Improvement Plan for each service offered (optical shop and optometry clinic). The plan ensures timely, efficient and quality services are provided to The Exchange beneficiaries. The plan establishes the framework for an ongoing program to objectively and systematically monitor and evaluate the quality and appropriateness of patient/customer care and service, to pursue opportunities to improve patient/customer care and service, and to resolve identified problems.

(1) The Quality Improvement Plan applies to all who provide patient/customer care and service, to include opticians, administrative/sales staff, and optometrists (or other qualified providers).

(2) The Quality Improvement Plan must address a wide range of disciplines to include the delivery of quality care and service, risk management, and utilization review.

b. **MONITORING AND EVALUATION**

(1) The goal of the monitoring and evaluation process is to improve the quality of care and services provided. Contractors will ensure procedures to establish appropriate monitoring and evaluation indicators for each service provided, with criteria-based standards, and must ensure ongoing review of these activities. Recommended indicators should include high-risk, high-volume, and/or problem-prone procedures. Data must be collected monthly, tracked, and reviewed to identify trends as they develop.

(2) Reproducible copies of Patient/Customer Satisfaction Surveys are included as Enclosures to this Exhibit. Surveys are to be conducted for each service offered. The SBM or designated staff will provide patient/customer with the appropriate survey for the service received or purchase made. Blank surveys are to be readily available in the reception or customer area in plain sight and with easy access for the patient/customer.

c. **SAFETY, INFECTION CONTROL, AND RISK MANAGEMENT**

(1) The contractor is responsible for a safe and healthy work environment for each service offered as part of the Quality Improvement Program. The contractor must monitor all aspects of operations, all requirements of Federal Regulatory Agencies, as they pertain to health care worker safety and infection control. The contractor must take corrective action as needed and maintain records of inspections conducted. Training in safe conduct, safety (include fire safety), and infection control must be included in the office procedures manual, and a record of training must be documented and maintained at each service offered. Infection control must be reviewed annually and updated as needed.

(2) The contractor will provide a copy of their Risk Management Report annually to the contracting officer.

(3) All serious adverse events, whether or not they are compensable, are to be promptly investigated and be reported to exchange management. An adverse event occurs when a patient/customer suffers any unintended or unexpected negative result during patient/customer care or service. The contractor will immediately notify exchange management in the event of a patient/customer accident or death in the optical center or optometry clinic.

(4) Each employee involved in or knowledgeable of an adverse event, occurrence, or accident must report it to his/her supervisor. Supervisors must establish procedures to ensure all incidents that cause, or could cause, injury to patients/customers are summarized in writing. The summary must be completed and forwarded to local exchange management, or designee, and the Contracting Officer within 48 hours.

d. **HAZMAT/HAZCOM.** The contractor must adhere to applicable hazardous material communication regulations maintaining Manufacturer Safety Data Sheets (MSDS) for all materials used in each service. These MSDS must be accessible to employees and providers at all times. Necessary and required training must be provided to all personnel prior to commencing work. A record of training must be documented and maintained at each service offered.

(2) **ADDITIONAL QUALITY IMPROVEMENT SPECIFICS–OPTICAL SHOP**

a. **GENERAL QUALITY IMPROVEMENT GUIDELINES**

(1) At a minimum, the name, correspondence address, telephone number, and position of each employee must be submitted to HQ, Exchange Health Care Services Quality Improvement Program at least 30 days prior to the anticipated start date of employment (excluding emergency replacements). Optometry students who work or observe patient care per this Exhibit, Section II, Paragraph 2.g., are not considered ‘employees’ but must still be registered and approved with the HQ, Exchange Health Care Services Quality Improvement Program before being allowed to work or observe in the optometry clinic. The authority is the HQ, Exchange Health Care Services Director, or the designated representative.

(2) All providers (optometrist/ophthalmologist/optician) must be credentialed by TRICARE and proof of being an authorized TRICARE provider shall be provided to the Contracting Officer. The optometrist/ophthalmologist/optician must be credentialed by Tri-Care. The contractor ensures the HQ, Exchange Health Care Services Quality Improvement Program is furnished with license renewals (or other pertinent information pertaining to qualifications) of all providers working in the optometry clinic.

b. **ACTIONS TO RESTRICT SERVICE** Renewal documentation must be received by HQ, Exchange Health Care Services Quality Improvement Program no later than 30 days after the previous license’s expiration/renewal date. If documentation is not received by the 31st day, the Contracting Officer will notify the Contractor and the provider shall not see patients until the documentation is provided.

c. **ADDITIONAL INFORMATION–QUALITY IMPROVEMENT** The contractor will utilize current industry standards, the publications outlined in this Exhibit and their own Quality Improvement Plan to develop Procedures Manuals. The manuals outline all Standard Operating Procedures (SOPs) for the Exchange Optometry Clinic and for the Exchange Optical Shop. Any provider (including relief providers) who examines patients in the optometry clinic must comply with all requirements listed in this contract. If the contractor is not the optometry provider, the contractor will ensure the provider(s) has/have knowledge and understanding of this contract and all pertinent exhibits referring to patient care issues.

d. **MONITORING AND EVALUATION – OPTICAL SHOP**

(3) **REQUIREMENTS AND VERIFICATION - OPTICAL SHOP**

a. If the state in which services are to be performed does not require a license and/or certification of opticians, the optician must meet at least one of the qualifications listed below:

(4) Possess a current and fully active state license from any licensing state.

(3) Possess American Board of Opticianry (ABO) certification, including the continuing education requirement for current certification.

(4) Possess American Optometric Association (AOA) certification, including the continuing education requirement for current certification.

2. Have at least three (3) years of documented civilian dispensing experience or be a graduate of a military ophthalmic school with at least 3 years experience. Must obtain one of the certifications listed below within two years of initial hire:

(a) American Board of Opticianry (ABO) certification

(b) American Optometric Association (AOA) certification (Certified Paraoptometric Technician/Assistant)

4. **OPTICIAN CREDENTIALS FILE.** The credentials checklist includes at least the documents listed below. In addition, the Quality Health Care Services Technician will generate a Quality Assurance File summary that serves as a tracking document for all renewable credential documents

a. **Part I**

(1) Exchange Checklist.

(2) Quality Assurance File Summary: This summary is generated from Exchange quality assurance software and serves as a tracking document for all renewable checklist documents.

(3) Name, correspondence address, correspondence telephone number, and position

b. **Part II**

(1) Copies of diplomas, certifications, licenses, etc. May include any of the following:

a. State optician's license, if applicable.

b. American Board of Opticianry certification (any level).

c. American Optometric Association certification (Certified Paraoptometric Technician/Assistant).

d. Military ophthalmic training graduation certificate.

e. List of all optician licenses held during the last 5 years with an explanation of any licenses that are not current, have been voluntarily relinquished, or have been subjected to disciplinary action.

(2) Each document is primary source-verified by the HQ, Exchange Health Services Quality Improvement Program Coordinator. Notations on a document facsimile include:

a. Verification authority

b. Verification authority telephone number

c. Signature of the HQ, Exchange Health Care Services Quality Improvement Program Coordinator

d. Signature Block of the HQ, Exchange Health Care Services Quality Improvement Program Coordinator

e. Date of verification

(3) Documentation of any professional organization membership (i.e., AOA Para-Optometric Registry, National Academy of Opticianry)

c. **Part III.** Continuing Education (CE) Summary, which includes, at a minimum, a 3-year history of courses, sponsors, locations (city and state), dates (start/end), and CE hours/units.

d. **Part IV.**

(1) A signed statement of consent to inspection of records and documents pertinent to consideration of the request for accession or employment.

(2) A signed statement attesting to the accuracy of all information provided.

e. **Part V.** Miscellaneous support documentation.

5. **ADDITIONAL QUALITY IMPROVEMENT SPECIFICS – OPTOMETRY CLINIC**

a. **MONITORING AND EVALUATION – OPTOMETRY**

(1) The records may be audited for accuracy, timeliness, completeness, clinical pertinence and adequacy as medical-legal documents on a quarterly basis. Billing and coding may be evaluated by an appropriate authority (such as the TRICARE Management Activity or a TRICARE Regional Office).

(2) A reproducible copy of the Exchange Optometry Care Patient Records Peer Review form is included as an Enclosure to this Exhibit. The contractor will ensure all providers (optometrists/ophthalmologists) participate in peer review. All Pertinent documents pertaining to peer review are maintained in the provider's HQ, Exchange Provider Activity File (PAF) for a minimum of two (2) years.

b. **REQUIREMENTS AND VERIFICATION– OPTOMETRY**

(1) Restricted services

(a) Provision of optometry services to patients 18 years of age or older, the contractor is to comply with all publications outlined in this Exhibit, Section IV, Paragraph 2. All healthcare providers may treat adult patients (identified as 18 years or older and also including emancipated active duty service members) **only after** all required documents are received, source verified, accepted by the Health Care Services Director or the designated representative.

(b) Provision of optometry services to patients under 18 years of age: The contractor shall comply with DoD Instruction 1402.5 *Criminal History Background Checks on Individuals In Child Care Services*, DoD Directive 6025.13 *Clinical Quality Management Program (CQMP) in the Military Health Services System (MHSS)*, the Occupational Safety and Health Act, and the state's optometry laws. Patients 17 years of age and younger **cannot** be treated unless a completed and cleared National Agency Check Investigation (NACI) has been awarded.

1 The local Services Business Manager (SBM), along with the local Exchange Human Resources Office, must assist the provider, to include relief optometrists/ophthalmologists, to initiate a National Agency Check Investigation (NACI) as referenced in DoD Directive 6025.13.

2. When the NACI application and fingerprint cards are completed, all documents are forwarded by the SBM to HQ, Exchange Health Care Services Quality Improvement Coordinator, ATTN: SD-V/S, 3911 South Walton Walker Blvd, Dallas, TX 75236. These records must be sent by accountable mail and arrive at HQ, Exchange not later than 60 days prior to contract commencement or seeing patients.

3 The NACI application and fingerprint cards will then immediately be forwarded to the HQ, Exchange Loss Prevention Directorate to initiate the investigation. Once the investigation has been completed and cleared, the provider may then care for patients under the age of eighteen (18).

c. **PROVIDER CREDENTIALS FILE.** The credentials checklist includes at least the documents listed below. In addition, the Quality Improvement Program Coordinator generates a Quality Assurance File summary that serves as a tracking document for all renewable credentialing documents and National Agency Check Investigation (NACI) status. Each document is primary source-verified by the HQ, Exchange Health Care Services Quality Improvement Program Coordinator.

1. Part I.

- a. Section A. Contact information includes, but is not limited to: Name, position, correspondence address, correspondence telephone number, and current email address (if applicable).
- b. Section B. National Agency Check Investigation (NACI) and State criminal history repository checks with all results, in accordance with DoD Instruction 1402.5 and DoD Directive 4025.13. HQ, AAFES Health Care Services maintains a NAC Investigation checklist and chain of custody documentation to show current status.

2. Part II.

- a. Section A. Copies of diplomas, certifications, licenses, etc., including, but not limited to:
 - (1) Proof of qualifying doctorate degree
 - (2) State optometry license. And, if applicable, proof of any advanced levels of licensure [i.e., Treatment and Management of Ocular Disease (TMOD), etc.]. The provider is required to hold an active, non-restricted, license in the state in which the optometry clinic is established. The provider must abide by all state laws and regulations concerning the practice of optometry in the state in which the clinic is established. (If the provider is an ophthalmologist, he/she must provide appropriate documentation supporting the practice of optometry.)
 - (3) List of all optometry licenses held during the past ten (10) years, along with an explanation of any licenses that are not current, have been voluntarily relinquished, or have been subjected to disciplinary action or probation for any reason
 - (4) Undergraduate diploma and/or transcript, but only if the undergraduate degree was obtained outside of the United States ("international degree").
- b. Section B. Copy of **current** Basic Life Support (BLS) and/or Advanced Cardiac Life Support (ACLS) certification.
- c. Section C. If applicable (not required), documentation of membership in any professional healthcare organizations (i.e., The American Optometric Association (AOA), The American Academy of Optometry (AAO), etc.)
- d. Section D. If applicable, copy of the State DEA certificate and/or US DOJ-DEA certificate.
- e. Section E. Support for the provider's abilities includes, but is not limited to:
 - (1) Provider's statement of his/her ability to perform the professional activities.
 - (2) Letters of recommendation from the provider's current practice facility program director, training director, or fellow licensed eye care provider at the same facility. Minimum of two (2).
 - (3) A description of the provider's scope of practice (scope of care) and clinical privileges from the provider's most recent practice facility program director, training director, or fellow licensed eye care provider at the same facility.

3. Part III.

- a. Section A. Continuing Education (CE) Summary which includes, at a minimum, a **one**-year history of courses, locations (city and state), dates (start/end), and CE hours/units obtained.
- b. Section B. Updated (within one year) Curriculum Vitae (CV). Includes, but is not limited to:
 - (1) Lectures given, papers published, posters presented, and special activities (i.e., research, residency, etc.).

(2) Chronological practice experience to account for all periods of time after graduation from a recognized optometry or medical school.

c. Section C. If applicable, credentials and privileges granted from medical treatment facilities where the provider has most recently been employed or been practicing. And, if applicable, credentials and privileges granted from medical treatment facilities prior to where the provider has most recently been employed or been practicing.

4. Part IV.

a. Section A. Statement of the applicant's health status that is current within a year. This statement must not be written by the applicant, but must be written by the applicant's physician. The statement must include information about the applicant's ability to provide healthcare.

b. Section B. Test results for Human Immunodeficiency Virus (HIV), Hepatitis A and Hepatitis B. Current within the last year.

5. Part V.

a. Section A. History of Adverse Clinical Privilege and/or other Government Agency. This includes, but is not limited to: voluntary or involuntary termination of professional and/or medical staff membership, voluntary or involuntary suspension, limitation, restriction, or revocation of clinical privileges at a hospital, treatment facility, private practice, or any other healthcare delivery setting, and any resolved or open charges of misconduct, unethical practice, or substandard care.

b. Section B. Documentation of any medical malpractice claims, settlements, or judicial or administrative adjudication with a brief description of the facts of each case listed.

c. Section C. A signed accuracy statement, attesting to the accuracy of all information provided.

6. Part VI.

a. Section A. A copy of certificate of liability insurance coverage, complete with name of insured, name of insurer, and all contact information.

b. Section B. Insurance information must include, but is not limited to the following:

(1) Empanelment/insurance numbers for all plans accepted (including a minimum of both TRICARE and Medicare). Other empanelment / insurance numbers should also be provided for other insurance companies, if applicable (i.e., Aetna, Blue Cross-Blue Shield, etc.)

(2) Proof of status as a TRICARE Network Provider who can accept all forms of TRICARE (TRICARE Prime, TRICARE Standard, TRICARE for Life, etc.)

c. Section C. Miscellaneous documentation and correspondence.

ENCLOSURES TO EXHIBIT H

Reproducible copies:

1. Optical Center Customer/Patient Satisfaction Survey
2. AAFES Form 6650-012 (AAFES Optical Service Form – REV NOV 05)
3. Optometry Clinic (“Optometry Care”) Patient Satisfaction Survey
4. Exchange Optometry Clinic (“Optometry Care”) Patient Peer Records Review Form (April 2003)

Exchange Optical Shop Customer/Patient Satisfaction Survey

This is a survey to assess the care and services rendered by the Exchange Optical Center. Please evaluate on a six-point scale with a score of '1' being low (poor) and '6' being high (delighted). Feel free to add comments!

1: Product Availability

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

2: Waiting Time In Optical Shop

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

3: Technician Services

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

4: Laboratory Services

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

5: Optical Center Appearance

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

6: Service Time

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

Question 7: Overall Evaluation of Exchange Optical Center Services (Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

Name (Optional) _____ Telephone (Optional) _____

PLEASE RETURN YOUR COMPLETED SURVEY TO THE SERVICES BUSINESS MANAGER (SBM) OR THE LOCAL AAFES EXCHANGE ADMINISTRATIVE OFFICE (NOT TO THE OPTICAL CENTER).

If you prefer, you may mail your completed survey directly to:

HQ, Army and Air Force Exchange Service, ATTN: Professional Services (SD-V/S), 3911 South Walton Walker Blvd, Dallas, TX 75236.

Or, you may fax to (214) 312-3558 / DSN 967-3558.

Thank you for helping us to improve our service to you!

READ ONLY FORM

COPY DISTRIBUTION:
Original - Optical Service
Yellow-Laboratory
Pink - AAFES
Gold - Customer

**Army & Air Force Exchange Service
OPTICAL SERVICE**

XXXXXX

CUSTOMER NAME

PHONE

TRAY NO.

ADDRESS

MINI LAB OFF-SITE

EXCHANGE NAME

FACILITY NO.

GLASS PLASTIC HIGH INDEX POLYCARB PD

DATE ORDERED

DATE PROMISED

DATE RECEIVED

CHARGES

LENSES

MOUNTING

OVERSIZE

PRISM

OVER POWER

TINT

COATING

FRAME

PACKAGE PRICE

ORDER TOTAL

PROMOTION DISCOUNT

NET ORDER

SALES TAX

POSTAGE TOTAL

DEPOSIT

BALANCE DUE

EYE PROTECTION/DUTY TO INFORM ADVISEMENT - It is our professional responsibility to let you know that there is eyewear specifically designed to help protect your eyesight. The spectacle frames and lenses used for "dress eyewear" only meet federally established "dress eyewear" impact resistance standards. Let us know if you desire greater impact resistance lenses, such as polycarbonate or other materials sanctioned by the American National Standards Institute (ANSI). Also, there are high-impact resistance frames that provide increased eye protection for sports, work around the home, and hobbies. There are also special lens coatings, treatments, and lens materials that provide increased protection from ultraviolet and other harmful light. Be advised that if you are modifying any type of protective eyewear, you could be compromising the integrity and safety protection intended by the original manufacturer, and thereby possibly subjecting yourself to an increased risk of eye injury. Please sign below to indicate you were informed of your eye protection options.

CUSTOMER FURNISHED PROPERTY CLAUSE - If the customer furnished any property identified on this order which is not picked up within 90 days after this order is ready, the customer donates and transfers all right, title and interest in the property to the Army and Air Force Exchange Service.

CUSTOMER SIGNATURE _____ DATE _____ VERIFIED BY _____ DATE BALANCE PAID _____

Exchange Optometry Clinic (“Optometry Care”) Patient Satisfaction Survey

This is a survey to assess the care and services rendered by the Exchange optometry clinic (“Optometry Care”). Please evaluate on a six-point scale with a score of ‘1’ being low (poor) and ‘6’ being high (delighted).

1: Appointment Availability

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

2: Waiting Time In Optometry Care Clinic

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

3: Technician Services

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

4: Optometric Services

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

5: Optometry Care Clinic Appearance

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

6: Quality of Information

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

Question 7: Overall Evaluation of AAFES Optometry Care Services

(Low) 1 - 2 - 3 - 4 - 5 - 6 (High)

Comments:

Name (Optional) _____ Telephone (Optional) _____

PLEASE RETURN YOUR COMPLETED SURVEY TO THE SERVICES BUSINESS MANAGER (SBM) OR THE LOCAL EXCHANGE ADMINISTRATIVE OFFICE (NOT TO THE OPTOMETRY CLINIC).

If you prefer, you may mail your completed survey directly to:

HQ, Army and Air Force Exchange Service, ATTN: Health Services (SD-V/S), 3911 South Walton Walker Blvd, Dallas, TX 75236.

Or, you may fax to (214) 312-3558 / DSN 967-3558.

Thank you for helping us to improve our service to you!

EXCHANGE OPTOMETRY CARE PATIENT RECORDS PEER REVIEW

ATTENDING PROVIDER and clinic location:

(Include First, Last Name, and title or degree)

MONTH/YEAR:

(should be same month's records reviewed)

PRINT REVIEWING PROVIDER & signature:

(Include First, Last Name, & licensure type, i.e. diagnostic, therapeutic, orals or topical only)

ADMINISTRATIVE REVIEW: Purpose is to ensure clinically pertinent and timely completed records. Review is based on pre-defined criteria focusing on documentation, not on whether clinical decisions about care were appropriate. Do medical record entries appropriately reflect the following:

SPONSOR'S LAST NAME & LAST FOUR OF SSAN																				
1. Examination date annotated																				
2. Legible provider signature & stamp present?																				
3. Patient information complete																				

CLINICAL REVIEW: Record is clinically pertinent if it is clear, complete, and accurate. It should contain all essential positive and negative findings relevant to the patient's clinical condition; assessment and treatment plan should be documented and adequately supported. Do medical record entries appropriately reflect the following:

1. Chief complaint (cc) addressed																				
2. Patient Hx / Family Hx annotated																				
3. Allergies/Medications annotated																				
4. Objective findings; include addressing cc																				
5. Diagnosis/clinical impression consistent w/ hx																				
6. Studies/lab tests ordered (if applicable)																				
7. Therapies/medications prescribed appropriate																				
8. Applanation IOP's annotated (if applicable)																				
9. Refraction (if applicable)																				
10. Goals & treatment, with patient instructions																				
11. Appropriate use of F/U, RTC, & consults																				
12. Entries are legible																				
13. Pain assessment and prevention concerns																				
14. Appropriate clinical practice guidelines were followed (can use AOA criteria)																				

LEGEND: Yes = ✓, No = X, Not Applicable = N/A (Describe all "No" answers in the remarks section)

REMARKS:

Executive Credentials Committee Review only: Are there trends present? _____ If yes, has provider notification been given? _____

THIS IS A QUALITY ASSURANCE DOCUMENT PROTECTED FROM DISCLOSURE UNDER 10 U.S.C. 1102--DO NOT RELEASE WITHOUT PERMISSION OF THE COMMANDER and GENERAL COUNSEL— DO NOT FILE IN PATIENT'S MEDICAL RECORD.

EXHIBIT I

WARRANTY AND REFUND REQUIREMENTS

SECTION I - GENERAL INFORMATION

1. **WARRANTY TO EVERY PATIENT.** The contractor is required to give a copy of the appropriate Exchange Optical Warranty form to every patient when spectacle frames, spectacle lenses, and/or contact lenses are dispensed. A reproducible copy of each required warranty is enclosed after this exhibit. Both the employee and customer will sign and date the form. The contractor may make a copy of the form for the patient's file, but the original copy is given to the patient.
2. **REFUNDS AT EXCHANGE COST.** Local exchange management may elect to refund or replace items not specifically covered in this contract. When this occurs, spectacles and contact lenses refunded by the Exchange become the Exchange's property. In instances where it is in the best interest of the customer and the Exchange has decided to replace abused eyewear, this is at the Exchange's cost.
3. **ADDITIONAL WARRANTIES.** If the contractor desires to offer a longer no-cost warranty on any product than is required by the Exchange contract (not including manufacturer warranties), the warranty must be submitted in writing to the contracting officer for approval. Warranty programs for sale that exceed the Exchange warranty requirements cannot exceed two years and must also be submitted to the Contracting Officer for approval.

4. **WARRANTY AND REFUND EXCLUSIONS**

- a. Refractive Surgery Related Prescription Changes: Spectacle or contact lens prescription changes as a result of refractive surgery are nonrefundable.
- b. Proof of Purchase Requirement: Customers must furnish proof of purchase to determine price of the product and the date it was dispensed.
- c. Lost, Stolen, or Abused Products: Lost, stolen, or abused products are excluded from any warranties or refunds. The determination of abuse is made by the manufacturer or the contractor, as appropriate.
- d. Contact Lenses: Contact lens vial, blister packs, or other sterile packaging cannot be exchanged if opened or defaced. Multiple-lens packages (disposables, planned replacement, etc.) cannot be exchanged if the box is opened or defaced.
- e. Professional Service Fees: Optometry professional fees for services rendered (i.e., examinations, contact lens fittings, follow-up care, etc.) are nonrefundable items unless the optometrist decides otherwise. If the optometrist decides to refund for services rendered, the optometrist cannot deduct these refunds from the Exchange fee.
- f. If orthokeratology, keratoconic services, vision therapy, special lens design (i.e. isokonic lenses) and/or specialized (i.e. custom, bitoric, scleral, cosmetic...) contact lenses are offered as a packaged treatment program with the optometrist, neither service fees nor contact lenses are refundable.

SECTION II – WARRANTY / REFUND INFORMATION FOR FRAMES AND LENSES

1. **FRAME AND LENS COMBINATIONS**

- a. Spectacles Returned Within 30 Days: Undamaged returned spectacles within 30 days of dispense date, receive a full refund for the frames and lenses, no questions asked. Refund amount is deducted from gross sales, not from the fee.

b. Spectacles Returned After 30 Days: The contractor is not required to refund the cost of spectacles when returned more than 30 days after dispense date, unless the spectacles do not conform to the original prescription or contract specifications.

c. Keep Frame-Change Lens Style/Type: Customers who keep a purchased frame, but want to change the lens style/type, absorb the cost for replacement lenses if over 30 days old. Contractors treat the transaction as a regular price, lenses only order. If the lenses are 30 days old or less, patients will be charged the difference between original lenses and the new style/type if higher-priced or of greater value. No refunds will be given for replacement lenses of lower-price or lesser value.

d. Change Frame Style: Patients who desire a different frame within the first 30 days of original dispense date may exchange them for a frame of equal or lesser value, provided the original frame is undamaged. Customers will be charged the difference if they choose a frame of higher price or greater value. This provision is limited to one frame exchange per order. Lenses of the same style/type will be made to fit the new frame with a one-time \$5.00 tracing fee charged to the customer. Locations with a mini-lab may cut-down original lenses as long as quality and prescription standards are met. If the customer desires to change the lens style/type, they will be charged the difference between the original lenses and the new style/type if higher-priced or of greater value. No refunds should be given for lenses of lower-price or lesser value.

2. FRAME WARRANTY

a. Contractor is encouraged to stock frames that carry a manufacturer's warranty. All frames in all categories are to be warranted for not less than one (1) year or per manufacturer's warranty, whichever is longer.

b. For a period of one (1) year from date frames are dispensed or for length of manufacturer's warranty period, whichever is longer, the contractor is to replace customer's broken frame or parts of frame one time at no charge to the customer or the Exchange. The customer must bring the broken pieces to the optical shop. If the customer's exact frame is not available, a replacement frame of similar style and color from the current frame assortment in the optical center is to be offered. If a satisfactory match cannot be made, the contractor will contact the frame manufacturer to purchase the exact replacement frame. If this is not possible, the contractor is to advise the customer to select another frame of equal or lesser value and, if necessary, remake the lenses at no cost to the customer. If the customer chooses a frame style or lens style/type of higher price or greater value, the customer will be charged the difference. No refunds will be given for frame or lenses chosen of lower price or lesser value. Additional replacements will be at customer expense.

3. LENS WARRANTY

a. All lenses are warranted for 1 year against breakage, chips, pits, and other nonscratch-related problems.

b. Lenses sold with basic factory-applied scratch coating are warranted for 1 year (one replacement only) against scratches only, in addition to the regular warranty coverage.

c. Lenses sold with Premium Scratch Coating are warranted for 2 years (one replacement only) against scratches only, in addition to the regular warranty coverage.

d. Antireflective coatings are warranted for 1 year or for the length of the manufacturer's warranty, whichever is greater.

e. The contractor guarantees all lenses will meet the doctor's prescription and applicable ANSI Standards.

f. Contractor may sell more extensive lens warranty packages, but warranties sold may not exceed two years from the prescribed date or IAW state law whichever is shorter and must be approved in advance by the contracting officer before they may be offered.

g. If within 60 days from the original examination under normal access conditions, an optometrist or ophthalmologist determines the need for a new prescription, the contractor will remake and mount new lens(es) at no charge to patients or the Exchange.

h. Spectacles that do not conform to the doctor's prescription will be remade to correct specifications at no charge to patients or the Exchange. If the patient chooses a lens of higher price or greater value, the patient will be charged the difference. No refunds are given for lenses chosen of lower price or lesser value.

i. Patients who cannot adapt to progressive addition lenses are to be given flat-top bifocal or trifocal replacement lenses at no charge. No refunds are given for lenses chosen of lower price or lesser value.

4. **WARRANTY WORK OF OTHER CONTRACTORS.** The contractor will honor all the Exchange's warranty and refund policies that were in effect when and where the customer made the original purchase including work performed by direct Exchange locations, by other contractors at other Exchange optical dispensaries, and by the previous contractor at the location under this contract (if applicable). If customer does not have a copy of the warranty/refund policies in effect at the time of their original purchase, contractor will honor warranty and refund claims following the terms as specified in this contract. Warranty work and refunds for work done by direct Exchange operated locations and by other contractors is handled as follows:

a. Contractor may deduct the full amount of the customer's refund from fees due the Exchange

b. Contractor may deduct a portion of the sell price of any lens remakes from the fee due the Exchange. The amount deducted is the contract sell price of the lenses less the contract fee. Example:

Sell Price of Lenses: \$50	Contract Fee of 40% (example only): \$20	Amount to Deduct from Fee: \$30
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c. Contractor is to attempt to satisfy a customer returning a broken frame under warranty per the 'Frame Warranty' paragraph in this exhibit. Contractor may deduct a portion of the sell price of any frame from the fee due the Exchange. The amount deducted is the contract sell price of the frame less the contract fee. Example:

Sell Price of Frame: \$50	Contract Fee of 40% (example only): \$20	Amount to Deduct from Fee: \$30
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d. Required Documentation: All deductions are identified on the contractor's settlement report and must include a copy of the original customer order and a copy of the refund voucher or replacement order (show the contract sell price and the "deductible amount"). If the same contractor originally dispensed the item at a different location under a separate Exchange contract, the contractor may not deduct warranty or refund costs incurred.

5. **REPAIRS/ADJUSTMENTS/LENS ORDERS FOR PATIENT OWNED FRAMES (POF).** If the dispenser feels a POF will not tolerate repairs, adjustments, or new lenses, then the customer must be told this before any actions occur. If the customer still wants work performed on the POF, the contractor must require the customer to sign a form which states he/she understands the risks of breakage/damage and does not hold the optical center liable for any such damages.

SECTION III – WARRANTY / REFUND INFORMATION FOR CONTACT LENSES

1. **MANUFACTURER'S WARRANTY.** Contractor will order contact lenses under the manufacturer's most liberal refund/exchange/warranty program. Contractor passes on to the customer all savings for those replacements or exchanges that the manufacturer/distributor offers at a reduced price, less a \$5 handling charge per standard unit of sale (box, vial, etc.). Contractor must specify manufacturer's warranty period for contact lenses on the Optical Warranty for Contact Lenses form that is given to the customer
2. **DEFECTIVE CONTACT LENSES.** Defects in material and/or workmanship are replaced at no charge within the manufacturer's warranty period.
3. **DOCTOR'S CHANGE.** A doctor's change of a patient's contact lenses within the applicable manufacturer's warranty period for the lenses, with lenses of equal or lesser value, results in no charge to the customer. If more expensive contact lenses are prescribed, the customer will pay the difference in cost.
4. **INABILITY TO WEAR CONTACT LENSES.** A patient's loss of or inability to wear contact lenses is not subject to a refund.

ENCLOSURES / ATTACHMENTS

Reproducible copies:

1. AAFES Optical Warranty for Spectacles [REV- JAN 06]
2. AAFES Optical Warranty for Contact Lenses [REV – JAN 06]

The Exchange Optical Warranty for Spectacles

1. **FRAME AND LENS INFORMATION.** Both frame and lenses are warranted from the original dispensing date.

FRAME LENSES	
Frame Warranted for (circle one and describe): 1 year / Other: _____ Dispense Date: _____	Lens(es) Warranted for (circle one and describe): 1 year / Other: _____ Dispense Date: _____
Frame Manufacturer:	Lens Brand:
Frame Model / Style :	Lens Type (circle all that apply and describe): Single Vision (SV) / Multifocal (type): _____ Other: _____
Frame Color:	Tint Color (or Transitions information):
Frame Material (circle one): Plastic / Metal (type): _____ Other: _____	Material (circle all that apply and describe): CR-39 / Polycarbonate / Hi-Index Other: _____
Eyeseize: _____ Bridge: _____ Temple: _____	Coatings (circle all that apply and describe): Scratch Coating (standard / premium) Anti-Reflective Coating Other: _____
Other Information or Comments:	Other Information or Comments:

2. **POLICIES.**

a. **PROOF OF PURCHASE:** Proof of purchase must be furnished for any replacement or exchange.

b. **EXCHANGES/REPLACEMENTS:** Spectacles Returned within 30 Days: If you return your spectacles undamaged within 30 days of date dispensed, you receive a refund for the frames and lenses, no questions asked. Spectacles Returned After 30 Days: If you return your spectacles more than 30 days after the date dispensed, the contractor is not required to refund the cost of spectacles, unless the spectacles do not conform to the original prescription or specifications. Keep Frame - Change Lens Style/Type: If you want to keep your purchased frame, but want to change the lens style/type, you must pay the cost for the replacement lenses, if it has been more than 30 days from dispensing of spectacles. If the lenses are 30 days old or less, you must pay the difference if the new lenses are more than the original lenses. No refunds for lenses of lesser price or value. Change Frame Style: If you desire a different frame within the first 30 days of original dispensing, you may exchange for a frame of equal or lesser value, providing the original frame is not damaged. You will be charged the difference if a frame of greater price or value is chosen. You are limited to one frame exchange per order. Lenses will be made to fit the new frame at no cost to you, unless the new lenses cost more than the original lenses. In this case, customers must pay the difference between the cost of the original lenses and the cost of the new lenses.

c. **CORRECT PRESCRIPTION/ADAPTATION:** Your lenses will meet the doctor's prescription. If within 60 days from the original examination (under normal access conditions), an optometrist or ophthalmologist determines the need for a new prescription (a "doctor's change"), the contractor will remake and mount the lens(es) at no charge. Spectacles dispensed which are later determined not to meet the prescribing doctor's original prescription will be remade to correct specifications at no charge to you. If adaptation to progressive addition lenses is unsuccessful, the lenses will be replaced with flat-top bifocal or trifocal lenses at no charge. The difference in price between the progressive addition lenses and the flat-top bifocal or trifocal lenses is not refundable.

3. **WARRANTY AND REFUND EXCLUSIONS.** Spectacle prescription changes as a result of any type of eye surgery are non-refundable. Lost, stolen, or abused products are excluded from any warranties or refunds. The determination of abuse is made by the manufacturer or by the contractor, whoever is the responsible party. During the warranty period, your broken frame or broken parts of your frame will be replaced at no charge to you. The broken pieces must be brought to the optical center. Any one item may not be replaced more than two times under warranty; any additional replacements are at your expense.

4. **WARRANTY WORK OF OTHER CONTRACTORS.** The contractor honors all Exchange warranties and refund policies, as were present when and where the customer made the original purchase, for work performed by direct operated Exchange locations, by other contractors at other Exchange optical dispensaries, and by the previous contractor at the location under this contract (if applicable). It is advisable to present this written warranty when seeking assistance.

Your signature below acknowledges that you have received a copy of this 'Exchange Optical Warranty for Spectacles'.

Customer: _____ Optical Center Employee: _____ Date _____
(Signature) (Signature)

Exchange Optical Warranty for Contact Lenses

1. **CONTACT LENS INFORMATION.** Contact lenses are warranted from the original dispensing date.

CONTACT LENS(ES)		
Contact Lens(es) Warranted for (circle one and describe): 1 year / Other: _____		
Dispense Date: _____		
Contact Lens Brand and Type: _____		
Contact Lens Parameters:		
Right Eye (OD):	Base Curve (BC): _____	Diameter: _____ Power: _____
Left Eye (OS):	Base Curve (BC): _____	Diameter: _____ Power: _____
Other: _____		
Contact Lens Color (or special handling tint): _____		
Other Information or Comments: _____		

2. **POLICIES.**

a. **PROOF OF PURCHASE:** Proof of purchase must be furnished for any replacement or exchange.

b. **EXCHANGES/REPLACEMENTS:** Defective Contact Lenses: Contact lenses defective in material and/or workmanship are replaced at no charge within the manufacturer's warranty period.

c. **CORRECT PRESCRIPTION/ADAPTATION:** Your contact lenses will meet the doctor's prescription. If your doctor changes your contact lenses, within the applicable manufacturer's warranty period, using lenses of equal or lesser value, there is no charge to you. If more expensive contact lenses are prescribed, you pay the difference in cost. Contact lenses dispensed which are later determined not to meet the prescribing doctor's original prescription will be exchanged to correct specifications at no charge to you. The optical center makes no warranty that you can adapt successfully to contact lens wear. You are responsible for costs incurred with any inability to adapt to contact lenses.

3. **WARRANTY AND REFUND EXCLUSIONS.** Contact lens prescription changes as a result of any type of eye surgery are non-refundable. Lost, stolen, or abused products are excluded from any warranties or refunds. The determination of abuse is made by the manufacturer or by the contractor, whoever is the responsible party. Contact lens vials or blister packs cannot be exchanged if opened or defaced. Multiple-lens packages (disposables, planned replacement, etc.) cannot be exchanged if the unit of sale packaging is opened or defaced.

4. **WARRANTING WORK OF OTHER CONTRACTORS.** The contractor honors all Exchange warranty and refund policies, as were present when and where the customer made the original purchase, for work performed by direct operated Exchange locations, by other contractors at other Exchange optical dispensaries, and by the previous contractor at the location under this contract (if applicable). It is advisable to present this written warranty when seeking assistance.

Your signature below acknowledges that you have received a copy of this 'Exchange Optical Warranty for Contact Lenses'.

Customer: _____ **Optical Center Employee:** _____ **Date** _____
(Signature) (Signature)

EXHIBIT J**EXCHANGE-FURNISHED EQUIPMENT**

1. The Exchange shall furnish the following equipment. Reference clause entitled Equipment, Furniture, and Movable Trade Fixtures, Exhibit C, Special Provision.

<u>QTY</u>	<u>DESCRIPTION</u>	<u>ACQUISITION COST/ DATE</u>	<u>MONTHLY RENTAL</u>
2	Verifones	N/A	N/A

2. **Equipment Rental Charge:** Concessionaire agrees to pay monthly rental charge(s) identified above. The monthly rental charge will be charged to concessionaire's account.

3. **Equipment Inventory:** Concessionaire and the Exchange shall conduct an inventory of Exchange Furnished Equipment prior to the commencement date and at the time of expiration/termination of the contract. Quantity, item description, and condition shall be agreed upon between concessionaire and the Exchange, noted on a custodial receipt, and signed by both parties. A copy of the inventory shall be provided to the contractor by the Exchange.

EXHIBIT K

WD 05-2025 (Rev.-13) was first posted on www.wdol.gov on 06/17/2011

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON D.C. 20210

Diane C. Koplewski Division of
Director Wage Determinations

Wage Determination No.: 2005-2025
Revision No.: 13
Date Of Revision: 06/13/2011

State: Arizona

Area: Arizona Counties of Cochise, Graham, Greenlee, Pima, Santa Cruz

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		12.64
01012 - Accounting Clerk II		14.18
01013 - Accounting Clerk III		15.86
01020 - Administrative Assistant		19.66
01040 - Court Reporter		17.97
01051 - Data Entry Operator I		11.84
01052 - Data Entry Operator II		12.92
01060 - Dispatcher, Motor Vehicle		17.31
01070 - Document Preparation Clerk		12.43
01090 - Duplicating Machine Operator		12.43
01111 - General Clerk I		11.74
01112 - General Clerk II		12.82
01113 - General Clerk III		15.13
01120 - Housing Referral Assistant		17.86
01141 - Messenger Courier		10.90
01191 - Order Clerk I		12.42
01192 - Order Clerk II		13.55
01261 - Personnel Assistant (Employment) I		14.30
01262 - Personnel Assistant (Employment) II		15.99
01263 - Personnel Assistant (Employment) III		17.83
01270 - Production Control Clerk		20.58
01280 - Receptionist		11.74
01290 - Rental Clerk		13.06
01300 - Scheduler, Maintenance		14.12
01311 - Secretary I		14.12
01312 - Secretary II		15.79
01313 - Secretary III		17.86
01320 - Service Order Dispatcher		15.15
01410 - Supply Technician		19.66
01420 - Survey Worker		12.73
01531 - Travel Clerk I		12.42
01532 - Travel Clerk II		13.02
01533 - Travel Clerk III		13.68
01611 - Word Processor I		12.71
01612 - Word Processor II		15.62
01613 - Word Processor III		17.50
05000 - Automotive Service Occupations		
05005 - Automobile Body Repairer, Fiberglass		20.50

EXHIBIT K

05010 - Automotive Electrician	19.27
05040 - Automotive Glass Installer	17.40
05070 - Automotive Worker	17.40
05110 - Mobile Equipment Servicer	15.55
05130 - Motor Equipment Metal Mechanic	19.27
05160 - Motor Equipment Metal Worker	17.40
05190 - Motor Vehicle Mechanic	19.27
05220 - Motor Vehicle Mechanic Helper	14.46
05250 - Motor Vehicle Upholstery Worker	16.51
05280 - Motor Vehicle Wrecker	17.40
05310 - Painter, Automotive	18.34
05340 - Radiator Repair Specialist	17.40
05370 - Tire Repairer	13.08
05400 - Transmission Repair Specialist	19.27
07000 - Food Preparation And Service Occupations	
07010 - Baker	12.82
07041 - Cook I	11.84
07042 - Cook II	13.33
07070 - Dishwasher	8.16
07130 - Food Service Worker	10.43
07210 - Meat Cutter	16.73
07260 - Waiter/Waitress	8.58
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	17.58
09040 - Furniture Handler	11.77
09080 - Furniture Refinisher	17.58
09090 - Furniture Refinisher Helper	13.86
09110 - Furniture Repairer, Minor	15.81
09130 - Upholsterer	17.58
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	8.94
11060 - Elevator Operator	10.15
11090 - Gardener	13.40
11122 - Housekeeping Aide	10.15
11150 - Janitor	10.15
11210 - Laborer, Grounds Maintenance	10.60
11240 - Maid or Houseman	8.81
11260 - Pruner	9.42
11270 - Tractor Operator	11.84
11330 - Trail Maintenance Worker	10.60
11360 - Window Cleaner	11.05
12000 - Health Occupations	
12010 - Ambulance Driver	17.13
12011 - Breath Alcohol Technician	18.57
12012 - Certified Occupational Therapist Assistant	21.78
12015 - Certified Physical Therapist Assistant	19.02
12020 - Dental Assistant	16.74
12025 - Dental Hygienist	35.60
12030 - EKG Technician	23.86
12035 - Electroneurodiagnostic Technologist	23.86
12040 - Emergency Medical Technician	17.13
12071 - Licensed Practical Nurse I	16.60
12072 - Licensed Practical Nurse II	18.57
12073 - Licensed Practical Nurse III	20.71
12100 - Medical Assistant	13.11
12130 - Medical Laboratory Technician	17.19
12160 - Medical Record Clerk	12.44
12190 - Medical Record Technician	14.62
12195 - Medical Transcriptionist	15.37

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12210 - Nuclear Medicine Technologist	33.36
12221 - Nursing Assistant I	10.22
12222 - Nursing Assistant II	11.49
12223 - Nursing Assistant III	12.54
12224 - Nursing Assistant IV	14.07
12235 - Optical Dispenser	16.80
12236 - Optical Technician	16.53
12250 - Pharmacy Technician	13.47
12280 - Phlebotomist	14.07
12305 - Radiologic Technologist	22.48
12311 - Registered Nurse I	25.04
12312 - Registered Nurse II	30.63
12313 - Registered Nurse II, Specialist	30.63
12314 - Registered Nurse III	37.06
12315 - Registered Nurse III, Anesthetist	37.06
12316 - Registered Nurse IV	44.41
12317 - Scheduler (Drug and Alcohol Testing)	23.01
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	17.70
13012 - Exhibits Specialist II	21.53
13013 - Exhibits Specialist III	26.33
13041 - Illustrator I	18.56
13042 - Illustrator II	21.47
13043 - Illustrator III	26.26
13047 - Librarian	22.65
13050 - Library Aide/Clerk	12.42
13054 - Library Information Technology Systems Administrator	20.46
13058 - Library Technician	17.94
13061 - Media Specialist I	14.76
13062 - Media Specialist II	16.51
13063 - Media Specialist III	18.41
13071 - Photographer I	14.80
13072 - Photographer II	18.32
13073 - Photographer III	20.51
13074 - Photographer IV	25.09
13075 - Photographer V	30.35
13110 - Video Teleconference Technician	16.98
14000 - Information Technology Occupations	
14041 - Computer Operator I	15.46
14042 - Computer Operator II	17.29
14043 - Computer Operator III	19.29
14044 - Computer Operator IV	21.43
14045 - Computer Operator V	23.73
14071 - Computer Programmer I	18.14
14072 - Computer Programmer II	22.30
14073 - Computer Programmer III	26.60
14074 - Computer Programmer IV	(see 1)
14101 - Computer Systems Analyst I	27.28
14102 - Computer Systems Analyst II	(see 1)
14103 - Computer Systems Analyst III	(see 1)
14150 - Peripheral Equipment Operator	15.46
14160 - Personal Computer Support Technician	21.43
15000 - Instructional Occupations	
15010 - Aircrew Training Devices Instructor (Non-Rated)	27.28
15020 - Aircrew Training Devices Instructor (Rated)	33.00
15030 - Air Crew Training Devices Instructor (Pilot)	39.55
15050 - Computer Based Training Specialist / Instructor	27.28
15060 - Educational Technologist	21.65

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15070 - Flight Instructor (Pilot)	39.55
15080 - Graphic Artist	20.80
15090 - Technical Instructor	16.29
15095 - Technical Instructor/Course Developer	19.93
15110 - Test Proctor	13.15
15120 - Tutor	13.15
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations	
16010 - Assembler	8.72
16030 - Counter Attendant	8.72
16040 - Dry Cleaner	10.44
16070 - Finisher, Flatwork, Machine	8.72
16090 - Presser, Hand	8.72
16110 - Presser, Machine, Drycleaning	8.72
16130 - Presser, Machine, Shirts	8.72
16160 - Presser, Machine, Wearing Apparel, Laundry	8.72
16190 - Sewing Machine Operator	11.01
16220 - Tailor	11.56
16250 - Washer, Machine	9.26
19000 - Machine Tool Operation And Repair Occupations	
19010 - Machine-Tool Operator (Tool Room)	18.68
19040 - Tool And Die Maker	22.75
21000 - Materials Handling And Packing Occupations	
21020 - Forklift Operator	14.05
21030 - Material Coordinator	18.92
21040 - Material Expediter	20.58
21050 - Material Handling Laborer	10.46
21071 - Order Filler	11.76
21080 - Production Line Worker (Food Processing)	14.05
21110 - Shipping Packer	12.73
21130 - Shipping/Receiving Clerk	12.73
21140 - Store Worker I	12.67
21150 - Stock Clerk	16.42
21210 - Tools And Parts Attendant	14.05
21410 - Warehouse Specialist	14.05
23000 - Mechanics And Maintenance And Repair Occupations	
23010 - Aerospace Structural Welder	24.39
23021 - Aircraft Mechanic I	23.17
23022 - Aircraft Mechanic II	24.38
23023 - Aircraft Mechanic III	25.54
23040 - Aircraft Mechanic Helper	17.39
23050 - Aircraft, Painter	22.90
23060 - Aircraft Servicer	19.83
23080 - Aircraft Worker	20.94
23110 - Appliance Mechanic	21.27
23120 - Bicycle Repairer	14.06
23125 - Cable Splicer	28.32
23130 - Carpenter, Maintenance	18.32
23140 - Carpet Layer	15.17
23160 - Electrician, Maintenance	18.67
23181 - Electronics Technician Maintenance I	21.95
23182 - Electronics Technician Maintenance II	25.44
23183 - Electronics Technician Maintenance III	26.86
23260 - Fabric Worker	16.32
23290 - Fire Alarm System Mechanic	17.31
23310 - Fire Extinguisher Repairer	16.19
23311 - Fuel Distribution System Mechanic	24.06
23312 - Fuel Distribution System Operator	19.20
23370 - General Maintenance Worker	16.69
23380 - Ground Support Equipment Mechanic	23.17

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23381 - Ground Support Equipment Servicer	19.83
23382 - Ground Support Equipment Worker	20.94
23391 - Gunsmith I	16.19
23392 - Gunsmith II	18.24
23393 - Gunsmith III	20.29
23410 - Heating, Ventilation And Air-Conditioning Mechanic	18.84
23411 - Heating, Ventilation And Air Contditioning Mechanic (Research Facility)	19.83
23430 - Heavy Equipment Mechanic	22.48
23440 - Heavy Equipment Operator	19.22
23460 - Instrument Mechanic	20.29
23465 - Laboratory/Shelter Mechanic	19.22
23470 - Laborer	10.46
23510 - Locksmith	17.58
23530 - Machinery Maintenance Mechanic	20.58
23550 - Machinist, Maintenance	19.09
23580 - Maintenance Trades Helper	13.84
23591 - Metrology Technician I	20.29
23592 - Metrology Technician II	21.36
23593 - Metrology Technician III	22.37
23640 - Millwright	20.29
23710 - Office Appliance Repairer	19.65
23760 - Painter, Maintenance	17.58
23790 - Pipefitter, Maintenance	19.80
23810 - Plumber, Maintenance	19.28
23820 - Pneudraulic Systems Mechanic	20.29
23850 - Rigger	20.29
23870 - Scale Mechanic	18.24
23890 - Sheet-Metal Worker, Maintenance	18.47
23910 - Small Engine Mechanic	18.24
23931 - Telecommunications Mechanic I	22.59
23932 - Telecommunications Mechanic II	25.24
23950 - Telephone Lineman	20.29
23960 - Welder, Combination, Maintenance	18.47
23965 - Well Driller	20.29
23970 - Woodcraft Worker	20.29
23980 - Woodworker	15.13
24000 - Personal Needs Occupations	
24570 - Child Care Attendant	9.32
24580 - Child Care Center Clerk	11.81
24610 - Chore Aide	12.06
24620 - Family Readiness And Support Services Coordinator	15.35
24630 - Homemaker	15.55
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	23.66
25040 - Sewage Plant Operator	21.18
25070 - Stationary Engineer	23.66
25190 - Ventilation Equipment Tender	17.20
25210 - Water Treatment Plant Operator	21.18
27000 - Protective Service Occupations	
27004 - Alarm Monitor	18.93
27007 - Baggage Inspector	10.44
27008 - Corrections Officer	20.11
27010 - Court Security Officer	22.42
27030 - Detection Dog Handler	12.53
27040 - Detention Officer	20.11
27070 - Firefighter	20.11

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27101 - Guard I	10.44
27102 - Guard II	12.53
27131 - Police Officer I	24.73
27132 - Police Officer II	29.60
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	9.50
28042 - Carnival Equipment Repairer	10.20
28043 - Carnival Equipment Worker	8.24
28210 - Gate Attendant/Gate Tender	15.40
28310 - Lifeguard	13.72
28350 - Park Attendant (Aide)	17.23
28510 - Recreation Aide/Health Facility Attendant	13.08
28515 - Recreation Specialist	14.44
28630 - Sports Official	13.72
28690 - Swimming Pool Operator	16.28
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	18.46
29020 - Hatch Tender	18.46
29030 - Line Handler	18.46
29041 - Stevedore I	16.90
29042 - Stevedore II	21.60
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist, Center (HFO) (see 2)	35.77
30011 - Air Traffic Control Specialist, Station (HFO) (see 2)	24.66
30012 - Air Traffic Control Specialist, Terminal (HFO) (see 2)	27.16
30021 - Archeological Technician I	16.73
30022 - Archeological Technician II	18.70
30023 - Archeological Technician III	23.96
30030 - Cartographic Technician	23.96
30040 - Civil Engineering Technician	22.98
30061 - Drafter/CAD Operator I	17.28
30062 - Drafter/CAD Operator II	19.33
30063 - Drafter/CAD Operator III	21.56
30064 - Drafter/CAD Operator IV	26.52
30081 - Engineering Technician I	14.98
30082 - Engineering Technician II	16.21
30083 - Engineering Technician III	18.81
30084 - Engineering Technician IV	21.77
30085 - Engineering Technician V	26.63
30086 - Engineering Technician VI	32.22
30090 - Environmental Technician	21.80
30210 - Laboratory Technician	18.37
30240 - Mathematical Technician	23.96
30361 - Paralegal/Legal Assistant I	21.49
30362 - Paralegal/Legal Assistant II	26.65
30363 - Paralegal/Legal Assistant III	28.53
30364 - Paralegal/Legal Assistant IV	34.52
30390 - Photo-Optics Technician	23.96
30461 - Technical Writer I	21.90
30462 - Technical Writer II	26.79
30463 - Technical Writer III	32.41
30491 - Unexploded Ordnance (UXO) Technician I	22.74
30492 - Unexploded Ordnance (UXO) Technician II	27.51
30493 - Unexploded Ordnance (UXO) Technician III	32.97
30494 - Unexploded (UXO) Safety Escort	22.74
30495 - Unexploded (UXO) Sweep Personnel	22.74
30620 - Weather Observer, Combined Upper Air Or Surface Programs	(see 2) 21.56
30621 - Weather Observer, Senior	(see 2) 23.96

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31000 - Transportation/Mobile Equipment Operation Occupations	
31020 - Bus Aide	11.94
31030 - Bus Driver	15.79
31043 - Driver Courier	13.03
31260 - Parking and Lot Attendant	12.41
31290 - Shuttle Bus Driver	13.92
31310 - Taxi Driver	11.40
31361 - Truckdriver, Light	13.92
31362 - Truckdriver, Medium	16.77
31363 - Truckdriver, Heavy	18.54
31364 - Truckdriver, Tractor-Trailer	18.54
99000 - Miscellaneous Occupations	
99030 - Cashier	9.81
99050 - Desk Clerk	9.47
99095 - Embalmer	25.32
99251 - Laboratory Animal Caretaker I	11.28
99252 - Laboratory Animal Caretaker II	12.06
99310 - Mortician	25.32
99410 - Pest Controller	13.74
99510 - Photofinishing Worker	12.47
99710 - Recycling Laborer	13.88
99711 - Recycling Specialist	16.19
99730 - Refuse Collector	12.74
99810 - Sales Clerk	12.63
99820 - School Crossing Guard	8.79
99830 - Survey Party Chief	26.74
99831 - Surveying Aide	15.13
99832 - Surveying Technician	18.77
99840 - Vending Machine Attendant	11.78
99841 - Vending Machine Repairer	14.17
99842 - Vending Machine Repairer Helper	11.78

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$3.59 per hour or \$143.60 per week or \$622.27 per month

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year, New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive,

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administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition, because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

- (1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;
- (2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
- (3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
- (4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

HAZARDOUS PAY DIFFERENTIAL: An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives.

Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials

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are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

**** UNIFORM ALLOWANCE ****

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition, April 2006, unless otherwise indicated. Copies of the Directory are available on the Internet. A links to the Directory may be found on the WHD home page at <http://www.dol.gov/esa/whd/> or through the Wage Determinations On-Line (WDOL) Web site at <http://wdol.gov/>.

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE {Standard Form 1444 (SF 1444)}

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The conformed classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. {See Section 4.6 (C)(vi)} When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).

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2) After contract award, the contractor prepares a written report listing in order proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.

3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6(b)(2) of Regulations 29 CFR Part 4).

4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour decision to the contractor.

6) The contractor informs the affected employees.

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.