



UNITED STATES MARINE CORPS

MARINE CORPS LOGISTICS COMMAND

814 RADFORD BOULEVARD  
ALBANY, GEORGIA 31704-1128

5215  
L13

MAR 08 2004

From: Adjutant, Marine Corps Logistics Command  
To: Operations Center

Subj: DIRECTIVES REVIEW

Ref: (a) MCO 5215.1H

1. According to our records, the following directive was promulgated by your office:

130420015 FIXED PRICE PROG FOR MAINT. 17 Feb 93  
(Number) (Title) (Date)

2. Per the reference, this directive requires review for the reason(s) indicated below. Please complete the review, endorse this letter and return it to the Command Adjutant's Office by 30 MAR 04.

Annual Review

A reference in the directive has been revised, changed, or cancelled.

The directive will be 9 years old this year.

The directive is 9 or more years old and must be revised or cancelled.

N. M. BOHANNON

-----  
Date \_\_\_\_\_

FIRST ENDORSEMENT

From: \_\_\_\_\_  
To: Adjutant, Marine Corps Logistics Command

The review of \_\_\_\_\_ has been completed. The results of the review are as follows:

Current; no changes required.

Requires change or revision. Estimated date of completion \_\_\_\_\_.

No longer required and may be cancelled.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

OIC initials: \_\_\_\_\_



UNITED STATES MARINE CORPS

MARINE CORPS LOGISTICS BASES

814 RADFORD BOULEVARD

ALBANY, GEORGIA 31704-1128

BO 4200.15  
803-3  
17 Feb 93

BASE ORDER 4200.15

From: Commander  
To: Distribution List  
Subj: FIXED PRICE PROGRAM FOR MAINTENANCE  
Ref: (a) NavCompt Manual, Vol III  
(b) NavCompt Manual, Vol V  
Encl: (1) Fixed Bid Quotation Sheet

1. Purpose. To establish a fixed price procedure for depot maintenance workloads for use by the Marine Corps Logistics Bases.

2. Background. The Office of the Assistant Secretary of Defense has directed the military services to implement the "fixed price" concept for maintenance workloads. Fixed pricing provides the performing activity with an incentive to accomplish work or services within a set price and enables the customer to plan, budget, and execute orders with a greater degree of confidence than possible on a cost reimbursable basis.

3. General. Implementation of the fixed price concept will include the following categories of depot maintenance workload: Principal End Items, Secondary Depot Repairables, and modifications with at least 1 year's data. All fixed price bids will use an actual Materiel Rate Indicator (MRI) to compute cost of services provided.

4. Definitions

a. Fixed Price Order. A request for work or services at a delivered price mutually agreed upon prior to the commencement of any work on an order. Fixed price orders are binding per paragraph 035412 of reference (a).

b. Negotiation. The process and terms by which the customers and the Repair Divisions (Codes 880/B880) will meet to agree/disagree on the conditions and prices of the fixed price bid.

c. Statement of Work (SOW). A document that accurately describes the essential and technical requirements for items, materials, or services including the standards used to determine whether the requirements have been met.

d. Scope of Work. Identifies the extent and range for work or services mutually agreed upon in the fixed price order.

e. Renegotiation of Fixed Price Bids. Renegotiation will occur when terms and conditions of a fixed price bid are changed. These conditions are inclusive, but not limited to:

(1) Engineering detail changes/modifications/Engineering Change Proposals.

(2) Change in priority/delivery schedule. (i.e., receipt of assets and production schedule.)

(3) Quantity changes outside the authorized negotiated range as required.

(4) Loss due to act of God.

(5) Customer imposed test, quality, or other scope of work change which would increase product cost or delay production delivery date. (This includes items exceeding the 65 percent repair limitation.)

f. Wash-out. Materiel which has been determined to be unserviceable and does not meet repair criteria.

## 5. Action

### a. Principal Director, Maintenance Directorate (Code 88)

(1) Serve as the focal point within the Marine Corps for the implementation and execution of established policy on fixed price orders.

(2) Review fixed price bids provided by each Repair Division (Codes 880/B880) for approved lines in the Master Work Schedule. Each fixed price bid will be submitted in writing.

(3) Verify that the terms and conditions of performance are not dependent upon circumstances which are beyond the control of the Repair Divisions (Codes 880/B880) and are known to the Maintenance Directorate (Code 88) at that time.

(4) Identify fixed cost lines in conjunction with a 20 month program to the Integrated Logistics Support Directorate (ILSD) (Codes 830/840) within 30 days after receipt of the Master Work Schedule.

(5) Sign and forward upon initial approval, fixed price bids to the ILSD (Codes 830/840) for final approval/disapproval within 5 working days.

(6) Ensure the fixed price bid submitted by the Repair

Divisions (Codes 880/B880) for work or services to be performed is a fair and reasonable price.

(7) Coordinate rejected bids with the Repair Divisions (Codes 880/B880) and the ILSD (Codes 830/840) to resolve and resubmit final bids for approval and signatures within 5 working days.

(8) Coordinate requests for the renegotiation of fixed price bids when submitted in writing and containing supporting documentation within 5 working days.

(9) Ensure the Repair Divisions (Codes 880/B880) guarantee policy is in accordance with paragraph 054014 of reference (b).

b. Director, Repair Divisions (Codes 880/B880); Maintenance Directorate

(1) Ensure that work and services performed are within the prices and conditions cited within the bid.

(2) Ensure the enclosure includes the below listed information:

(a) A Master Work Schedule Line Item Number for identification purposes.

(b) Exceptions to appropriate standards.

(c) The amount of the fixed price.

(d) The date by which the offer must be accepted.

(e) Signatures of official(s) submitting fixed price bids and conditions.

(f) Known wash-out factor included in bid price.

(3) Identify deficiencies in the SOW to the Maintenance Directorate (Code 88) with a copy to the ILSD (Codes 830/840) prior to submission of the fixed price bid.

(4) Prepare and provide the enclosure to the Maintenance Directorate (Code 88) for review 90 days after receipt of the SOW.

(5) Ensure performance can be accomplished within current established work programs.

(6) Ensure 1 year of historical data is available prior to scheduling under fixed price.

(7) Negotiation guidelines:

(a) If a fixed price order is agreed to in the negotiation process, the appropriate personnel will sign the enclosure.

(b) If a fixed price order is not agreed to, then a second negotiation meeting will take place within 10 working days.

(c) Failure to agree on a fixed price order after the second meeting will result in the Principal Directors, Maintenance Directorate (Code 88) and the ILSD (Code 82) negotiating the fixed price order.

(d) Requests for work or services which require the Repair Divisions (Codes 880/B880) to perform work prior to negotiation of fixed price may not delay execution. Bids will indicate any work performed outside the scope of work at which time it will be incorporated into the fixed price bid.

(8) Initiate the Item Completion and Materiel Release (Albany Form 6ND MC-ALB 4700/1 (REV 9-77)) or the Technical Item Change Notice (Barstow Form MCLBB 4410/12A (REV 1-87)).

c. Principal Director, Integrated Logistics Support Directorate (ILSD) (Codes 830/840)

(1) Review all fixed price bids.

(2) Provide an adequate SOW in conjunction with the Master Work Program (20 months prior to fiscal year execution).

(3) Coordinate with the Maintenance Directorate (Code 88) and the Repair Divisions (Codes 880/B880) to convene a negotiation meeting no later than 10 days after receipt of the enclosure.

(4) Negotiation guidelines:

(a) If a fixed price order is agreed to in the negotiation process, the appropriate personnel will sign the enclosure.

(b) If a fixed price order is not agreed to, then a second negotiation meeting will take place within 10 working days.

(c) Failure to agree on a fixed price order after the second meeting will result in the Principal Directors, Maintenance Directorate (Code 88) and the ILSD (Code 82) negotiating the fixed price order.

(d) Requests for work or services which require the Repair Divisions (Codes 880/B880) to perform work prior to negotiation of the fixed price may not delay execution. Bids will indicate any work performed outside the scope of work at which time it will be incorporated into the fixed price bid.

(5) Review fixed price bids submitted for renegotiation for

concurrence/nonconcurrence and return to the Maintenance Directorate (Code 88) within 5 working days.

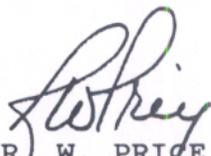
(6) Fixed Price Bid Sheets (enclosure (1)) will be considered "Business Sensitive."

d. Executive Director for Financial Management (Code 460).

(1) Receive Operation and Maintenance (O&M)/Defense Business Operating Fund (DBOF) funding in the operating budget for equipment maintenance.

(2) Issue funding authorizations to ILSD (Codes 830/840) for equipment maintenance execution.

6. Applicability. This Order is not applicable to the Blount Island Command.

  
R. W. PRICE  
Executive Director  
for Logistics Operations

DISTRIBUTION: D

FIXED BID QUOTATION SHEET

MWSLIN:	FY	JOB QUANTITY:
NOMENCLATURE:		UNIT CIV HRS:
NSN:		UNIT MIL HRS:
STANDARD UNIT COST:		UNIT SFA MAT:
REPAIR LIMITATION:	\$0	UNIT ASA MAT:
FP % OF SUC:	ERR	UNIT BID PRICE:
MRI:		UNIT UNFUNDED COST:

TERMS AND CONDITIONS

SCHEDULE	1ST QTR	2ND QTR	3RD QTR	4TH QTR	C/O	TOTAL
INDUCTION	0	0	0	0	0	0
PRODUCTION	0	0	0	0	0	0

FIXED PRICE BID AGREEMENTS AND REMARKS

DMRI:	_____	DATE/REV:
IROAN STANDARD:	_____	DATE/REV:
REBUILD STANDARD:	_____	DATE/REV:
DMWR:	_____	DATE/REV:
OTHER:	_____	DATE/REV:

	SIGNATURE	DATE
DIRECTOR, MOBILE EQUIPMENT/ORDNANCE DIVISION OR	_____	_____
DIRECTOR, COMMUNICATION-ELECTRONICS MISSILE DIVISION	_____	_____
DIRECTOR, REPAIR DIVISION	_____	_____
PRINCIPAL DIRECTOR, ILSD (CODE 82)	_____	_____
PRINCIPAL DIRECTOR, MAINTENANCE DIRECTORATE (CODE 88)	_____	_____

ENCLOSURE (1)