



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE SECURITY ASSISTANCE CENTER (AFSAC)
WRIGHT-PATTERSON AIR FORCE BASE OHIO

May 29, 2012

MEMORANDUM FOR TO WHOM IT MAY CONCERN

FROM: AFSAC/PK
WILLIAM T. SMITH
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WPAFB OH 45433-5337

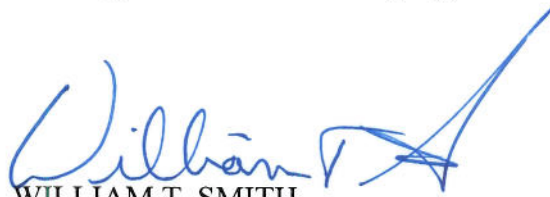
SUBJECT: QUOTING UNITED STATES AIR FORCE (USAF) REQUIREMENTS
UNDER FOREIGN MILITARY SALES (FMS) PARTS AND REPAIR
ORDERING SYSTEM IV (PROS IV) CONTRACT FA8630-12-D-5018

1. The USAF has established a service contract to assist the Air Force Security Assistance Center (AFSAC) Wright-Patterson AFB, OH in acquiring United States Air Force non-standard and selected standard item spare parts, maintenance services, and other military requirements for its FMS customers. The purpose of this letter is to advise you of this unique contract, FA8630-12-D-5018, PROS IV, which was awarded competitively to S&K Aerospace, LLC (SKA). SKA is the USAF source of supply/maintenance for PROS IV eligible items. As the USAF source of supply and maintenance SKA is authorized to perform item acquisition for the USAF. Each order is passed to, and funded through AFSAC from requisitions submitted by FMS customer countries authorized by a Letter of Offer and Acceptance (LOA). This contract contains the Defense Department priority rating of DO-C9, and requires the flow down of essential Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses consistent with all U.S. Government contracts. Because requirements filled by SKA under this contract are provided pursuant to properly authorized FMS program Letters of Offer and Acceptance (LOAs), they are exempt from import/export requirements per section 126.6(c) of the International Traffic in Arms Regulations (ITAR).

2. Please respond to SKA in the same manner that you would the U.S. Government with most favorable customer pricing, including government supply sources such as Federal Supply Schedule (FSS) and General Services Administration (GSA) prices. Provisions have been included in the contract to utilize Defense Contract Management Agency and Defense Contract Audit Agency services on selected orders. However, most FAR requirements will be initiated through terms and conditions of the individual purchase orders and monitored by the Certificate of Conformance.

3. In accordance with section 29.402-1(a) of the FAR, clause 52.229-6, Taxes – Foreign Fixed Price Contracts, is included in the PROS IV contract prescribing the applicability of taxes and duties for furnishing supplies and performing services outside of the United States and its outlying areas. This clause applies in lieu of any Federal, State and Local tax clause of the contract. FAR 52.229-6(c) states: “Unless otherwise provided in this contract, the contract price includes all applicable taxes and duties, except taxes and duties that the Government of the United States and the government of the country concerned have agreed shall not be applicable to expenditures in such country by or on behalf of the United States.”

4. Should you have any questions regarding the above please contact, the PROS contractor, SKA team lead, Mr. John Sims; jsims@ska-llc.com, (478)971-6706. The PROS IV contract fulfills a critical need and we appreciate your full support of the PROS IV program.



WILLIAM T. SMITH
PROS Contracting Officer
ASC/PKG

ITAR Regulation (reference 126.6(c))

§ 126.6 Foreign-owned military aircraft and naval vessels, and the Foreign Military Sales program.

(a) A license from the Directorate of Defense Trade Controls is not required if:

- (1) The article or technical data to be exported was sold, leased, or loaned by the Department of Defense to a foreign country or international organization pursuant to the Arms Export Control Act or the Foreign Assistance Act of 1961, as amended, and
- (2) The article or technical data is delivered to representatives of such a country or organization in the United States; and
- (3) The article or technical data is to be exported from the United States on a military aircraft or naval vessel of that government or organization or via the Defense Transportation Service (DTS).

(b) *Foreign military aircraft and naval vessels.* A license is not required for the entry into the United States of military aircraft or naval vessels of any foreign state if no overhaul, repair, or modification of the aircraft or naval vessel is to be performed. However, Department of State approval for overflight (pursuant to the 49 U.S.C. 40103) and naval visits must be obtained from the Bureau of Political-Military Affairs, Office of International Security Operations.

(c) *Foreign Military Sales Program.* A license from the Directorate of Defense Trade Controls is not required if the defense article or technical data or a defense service to be transferred was sold, leased or loaned by the Department of Defense to a foreign country or international organization under the Foreign Military Sales (FMS) Program