Statement of Work
PROCUREMENT OF NATIONAL DEFENSE STOCKPILE
Lanthanum Powder

1 INTRODUCTION

The Defense Logistics Agency (DLA) Strategic Materials, also referred to as the Government, intends to acquire fluid catalytic cracking (FCC) catalyst Lanthanum Oxide Powder or Lanthanum Carbonate Powder materials. (Heretofore referred to as Lanthanum Powder) DLA Strategic Materials intends to award a Firm Fixed Price (FFP) contract to procure the Lanthanum Powder materials.

2 BACKGROUND

Lanthanum Powder, in either oxide or carbonate form, is critical to the production of certain petroleum products which, in turn, are essential to the national economy. The use of lanthanum powder as a component of fluid cracking catalysts (FCC) used in refining is tantamount for maintaining the supply chains for transportation fuels across the country. Crude oil is transported through a network of supply lines to refineries which is then delivered back as finished transportation fuels to regional distribution centers for servicing ground transport and avionic hubs. The civilian economy and the military are dependent on a continuous, reliable supply of transportation fuel from this supply chain.

A lower rare earth oxide (REO) content in the catalyst yields higher levels of octane in the gasoline product. Octane levels serve as a decision factor for the REO grade variation maximize conversion from oil to gasoline that, in turn, drives the desired production scenario for the refinery.

The most valuable products from an FCC unit are principally gasoline, LPG, and light cycle oil. Significant amounts of incremental propylene will come from the refining market, specifically from fluidized catalytic cracking or related units.

FCC gasoline makes up 40% of the gasoline pool products as regular gasoline; aviation; and transport fuels for military.

There are several types of lanthanum catalyst powders which are produced to proprietary specifications unique to individual companies rather than to an agreed upon set of public standards. As a result, specifications for individual lanthanum catalyst powders are unique to single manufacturers and considered Proprietary Information (PI). The primary form of lanthanum used in FCC catalysts is Lanthanum Oxide Powder, but Lanthanum Carbonate Powder is also commonly used. Suitable lanthanum powders are qualified by the individual FCC manufacturer to control variability over time. The principal sources for FCC lanthanum powders are China, Malaysia, and Estonia.

To ensure DoD has access to a supply of these materials, DLA Strategic Materials received Congressional authority to procure an FCC grade Lanthanum Powder in August of 2022. It is anticipated that the stockpile inventory will be established during a four-year period from Fiscal Year (FY) 2023 to FY 2026. There will also be an additional year for the rotation bringing the total time to five years. The Period of Performance (POP) would expire on Dec 31, 2027. Through research on this industry grade of Lanthanum Powder, the Government determined to procure a rotational inventory of Government-owned and Vendor Managed stockpile for the National Defense Stockpile (NDS At the end of the POP, the government would take any leftover material and liquidate it, or the vendor(s) could bid on it to take ownership.

3 SCOPE

FCC catalysts are composed of zeolites, silica, alumina clay and a binder. Lanthanum Powder in FCC catalysts is in the zeolite component of the catalyst. The FCC manufacturers do not commercially supply Lanthanum Powder.

The Contractor shall develop a domestic inventory of FCC grade Lanthanum Powder. The main requirement is establishing a Government owned, Government-subsidized inventory of these specific lanthanum powders for production of Fluid Catalytic Cracking (FCC) catalysts. The Contractor is required to maintain an inventory of these lanthanum powders equal to the quantities described in this Statement of Work (SoW). The Government is effectively purchasing an inventory level, and the Government intends to own the inventory and will pay a monthly storage cost for maintaining the inventory. Examples of these costs could include procurement of the material identified in Section 4, as well as but not limited to cost of material, shipping, packaging, climate control storage, 24 hours per day, 7 days per week security surveillance, utilities, labor, and quality control measures. The Contractor must agree to hold the inventory levels, as stated in **Table 1** and not sell unless authorized by the Government. As part of the Deliverables outlined in **Section 10**, the Contractor shall develop a schedule plan for rotation and replacement delivery outlining the amount, type of lanthanum powder, and anticipated delivery dates for each fiscal year. The rotation schedule should identify the lots of each lanthanum powder grade and their amounts in metric tons (MT) that are planned for rotation each fiscal year. Initial inventory levels outlined in **Table 1** should be reached by the end of each quarter and year. The delivery quantity in Table 1 can have up to ±3% of variation.

The Contractor shall also rotate the inventory with sufficient time left on its shelf life that it is usable for production. Given an 18-month shelf life, this rotation period would be every twelve months on a first in, first out (FIFO) basis. For context, rotation is defined by processing the material through internal plant operations consumption, and then replenishing the inventory back to 100% with new material of the same type.

Table 1. Maximum planned procurement quantities and schedule for FCC Lanthanum Powder

Execution Year, shown by Fiscal Year (FY)	Cumulative Maximum Quantity at Quarter Start (Metric Tons)				Annual Cummulative Acquisition Inventory (MT)
	Q1	Q2	Q3	Q4	
FY23 (BASE)	250	500	750	1,000	1,000
FY24 (Option)	1,250	1,500	1,750	2,000	2,000
FY25 (Option)	2,250	2,500	2,750	3,000	3,000
FY26 (Option)	3,250	3,500	3,750	4,000	4,000
Total					**4,000**

The Period of Performance (PoP) is one (1) base year of twelve (12) months for production and storage of the initial Government Owned Material, and up to three (3) additional option years for production, storage, and rotation of the initial Government Owned Material for building inventory levels, as well as an additional one (1) year for rotation of the full inventory bringing the total time to 5 years.

A Contracting Officer Representative (COR) will be appointed at time of contract award.

4 Tasks

The following section describes the Contractor specific tasks.

4.1 The contractor shall procure an inventory of Lanthanum Powder, conforming to the accepted quality specifications for the specific powder from a qualified producer.

4.1.1 The Contractor shall package and label each type of Lanthanum Powder to the industry standard as stated in Section 6.

4.1.2 The contractor shall submit an inventory modification approval request to the Government for stocking and logging of the Lanthanum Powder at the storage facility. Contractor shall maintain an inventory list that should be included with the request.

4.1.3 The Contractor shall replace, at the Contractor's expense, any Lanthanum Powder, including its packaging, owned by the Government that is damaged, or becomes damaged, Damage includes, but is not limited to, material contamination, packaging tears, spills, any chemical or physical property change resulting in out-of-specification material, etc.

4.14 The Contractor shall replace, at the Contractor's expense, any Lanthanum Powder that has become nonconforming due to a shelf-life expiration.

4.1.5 The Contractor shall have **365** days from the contract award date and subsequent option year exercises to build-up the initial inventory to 100% of the amounts outlined in **Table 1**.

4.3 The Contractor shall submit a Certificate of Analysis for each lot to certify that the purchased material meets all quality specifications and the specifications outlined in either Table 2 or 3 of this SoW and Section 5. Any lot of material that is not conforming to the Contractor's quality specifications is not acceptable to the Government for the inventory of Government-owned material. The Contractor shall ensure that the Lanthanum Powder materials are accessible to the Government for sampling, testing, and inspection operations if requested by the COR. The COR will provide the Contractor with five (5) calendar days of notice to the Contractor prior to Government sampling, testing, or inspection operations at the Contractor's facility.

4.3.1 The Government will reject any material not conforming to the specifications outlined in **Table 2 or Table 3**. The Contractor shall be responsible for all appropriate remedies in accordance with FAR 52.212-04(a). The Contractor shall replace rejected material at Contractor expense within **one hundred and ninety (190) business days** from the date of its rejection.

4.3.2 If any of the Lanthanum Powder materials, rotated from the inventory described in **Task 4.4**, is deemed to be nonconforming since its rotation into or out of the Government's inventory, the Contractor shall replace that material with material of the same type as described in Table 2 or 3, at the expense of the Contractor. The Contractor shall also replace the remainder of the material in the Government's inventory and from the same batch/lot of the material, which was deemed nonconforming, at Contractor's expense. The Contractor shall notify the Government, in writing, of any Lanthanum Powder material's nonconformance within five (5) calendar days from the time the Contractor knows, or should have known, of the material nonconformance. The Contractor shall provide the COR with ten (10) calendar days of notice of commencement of Contractor's replacement operations for government material. The COR, at the government's discretion, will be present at the Contractor site to witness replacement operations and inspect government material.

4.4 The Contractor shall store the strategic Lanthanum Powder materials within the Continental United States. The Contractor shall ensure chain of custody of the Government's material is maintained in a process established by the Contractor and agreed upon by the Government. The Contractor storage facility which contains the Government's inventory shall have 24 hours per day, 7 days per week continuous security surveillance.

The Contractor shall always carry a bond, or demonstrate an ability to self-bond, the value of the Government's inventory of Lanthanum Powder materials which are in the Contractor's physical and legal control.

With prior approval from the Government, the Contractor shall use the established Government inventory to support Contractor sales of FCC materials to the Contractor's FCC-using or FCC-manufacturing customers who are located within the Continental United States. If the Contractor's FCC-using or FCC-manufacturing customers deem the material they received from the Government's inventory is unacceptable for the FCC-using or FCC-manufacturing customer's needs, the Contractor shall replace the unacceptable material at the

Contractor's expanse. If the Contractor's FCC-using or FCC-manufacturing customers deem material which is owned by the Contractor, and not in the Government inventory, but is from the same lot/batch of material which is in the Government's inventory; then the Contractor shall replace all Government material from that lot/batch, with the same type of material, but from a different, yet conforming to specifications set forth in this SoW, lot/batch of Lanthanum Powder.

The Contractor shall re-stock to 100% inventory levels within **190 calendar** days after approved Contractor sales, rotations, or internal consumption. The Contractor shall notify the government, in writing, within five (5) days upon Contractor's replenishment of Government inventory to 100% of required inventory levels as described in this SoW. The Government will verify inventory levels and sample, test, and inspect material at the Government's discretion.

4.4.1 The Contractor shall report, in writing to the Contracting Officer, any circumstances which will have a negative impact on the Contractor's capability to deliver the Lanthanum Powder materials to the Government's inventory. The Contractor shall submit this report to the Contracting Officer within ten (10) calendar days after the Contractor becomes aware, or should have been aware, of such an impact. The Contractor shall include their corrective action plan and the date when the Contractor can attain the required capability, in this report.

4.4.2 With prior approval from the Government, the Contractor is authorized to conduct sales of the materials from the Contractor to their customer(s) using or manufacturing FCC materials within the Continental United States. Such transfers are acceptable Government inventory rotation activities by the Contractor under this contract.

4.5 The Contractor shall have the ability to replace, and shall replace, the Lanthanum Powder Government inventory materials with material of the same type. Replenish the Government's inventory in a manner consistent with the requirements of this SoW.

The Contractor shall rotate, via Contractor sales or Contractor consumption of the Government's Lanthanum Powder inventory, no more than 365 calendar days from the date the material entered the Government's inventory, and on a FIFO basis. The Contractor's rotation, and rotation schedule, of Government inventory shall be contingent upon the Government's prior approval.

4.5.1 The Contractor shall not let the inventory fall below **60%** of the Government inventory quantities specified in this SoW, established in Table 1. The Government reserves the right to cancel the rotation schedule in emergency situations or in accordance with the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. § 98 et seq., in case of a National Emergency the Contractor must have the ability to sell or release the NDS inventory material to any parties as required by the Government.

4.5.2 The Contractor shall be allowed to initiate rotation out of inventory without prior approval needed as long as the inventory levels are above 75% o the Government inventory quantities specified in this SoW, as established in Table 1. These rotations shall

be reported within 7 days of the rotation in a Stock Rotation Report as described in the deliverables in section 10.

4.6 The Contractor shall deliver a program management plan and status reports as summarized in the Deliverables section.

5 MATERIAL REQUIREMENTS

The following section describes the material requirements for the bulk of the Lanthanum Powder entering into the Government inventory.

5.1 The Contractor shall ensure all Lanthanum Powder materials the Contractor delivers to the Government's inventory conform to the specifications set forth in Tables 2 and 3, and all other requirements set forth in this SoW. The material must not require a Nuclear Regulatory Commission (NRC) license for storage, handling, or transfer. The material must not have any characteristics that make it licensable under NRC regulations. The combined uranium and thorium by weight must be less than 0.05% of the material.

Table 2. Lanthanum Oxide Powder Material Specifications, percent by mass. *

Total Rare Earth Oxide (TREO)***	95.0% min
La_2O_3/TREO	98.0% min
Other REO impurities/TREO	2.0% max
Fe_2O_3	0.10% max
Na_2O	0.40% max
Pb	0.040% max**
ThO_2/TREO	<15 ppm
Radioactivity	2 Bq/g max

* Percent by mass, unless otherwise specified
** Based on elemental lead content
*** REO content values are based on oxide equivalents of elemental quantities of rare earth.

Table 3. Lanthanum Carbonate Powder Material Specifications, percent by mass.*

Total Rare Earth Oxide (TREO)****	95.0% min
La_2O_3/TREO	98.0% min**
Vendor certification of pure La2(CO3)3	Methodology of certification and associated value(s)
Other REO impurities/TREO	2.0% max
Fe_2O_3	0.10% max
Na_2O	0.40% max
Pb	0.040% max***
ThO_2/TREO	<2 ppm
Radioactivity	2 Bq/g max

* Percent by mass unless otherwise specified.
** Lanthanum carbonate content based on lanthanum oxide equivalents (1:1) for the carbonate; the value for this specification only is based on an assumption that all elemental lanthanum present is in oxide form.
*** Based on elemental lead content.
**** REO content values are based on oxide equivalents of elemental quantities of rare earth.

5.1.1. All Lanthanum Powder materials shall be in free-flowing powder form and shall be white. The materials shall be qualified for domestic FCC manufacturing.

5.1.2 The Contractor shall provide a Certificate of Analysis (COA) for the contained material with each production lot delivery to the Government's inventory. The Contractor shall submit the lot's COA to the Contracting Officer's Representative (COR) at least ten (10) calendar days for review by the government. Do not deliver any material without written approval of the CoA.

5.1.2.1 The COA is a legal document, which is the vendor's certification that the materials delivered by the contractor to the Government's inventory meet the material specifications set forth in this SOW. The Government will determine, based on the COA, if the lot(s) of the material should be delivered to the Government's inventory. The contractor shall carefully sample and test the material to ensure the reliability of the data in their COA.

5.1.2.2 The Contractor shall define a lot of products as the material produced by the same bench for a bench-wise production process, or the same operating shift for a continuous process.

5.1.2.3 The Contractor shall provide their COAs to the Government. The Contractor shall ensure their COAs are in Adobe Acrobat PDF (portable document format) and shall send their COAs to the COR for review and document acceptance prior to material delivery to the Government's inventory. The Government will not accept any other types of PDF formats. The email address for submitting the COAs will be designated in the Contract.

5.1.2.4 The Government will review every Contractor COA submitted to determine the document's acceptability and compliance with the requirements in this SoW within ten (10) calendar days after the Government receives each COA.

5.1.2.5 The Contractor shall include the following, at a minimum, in each COA the Contractor submits to the Government:

a. Lot number
b. Weight and number of containers the COA covers.
c. List of the tests performed and/or methodology applied.
d. Numerical results and qualitative results
e. Error ranges/limits for results
f. Specifications/requirements
g. Name of the company or name of the laboratory
h. Date(s) each analysis is performed, and
i. Printed name and signature of analyst.
j. Signed statement of CoA accuracy.
k. Description of physical appearance of the material (form, particle size description, and color).

5.1.2.6 The Contractor shall ensure their COAs, and all of the other documents submitted to the Government in this Contract, are in English.

6 PACKAGING

The Contractor shall use the industry standard for packaging to store the materials. The product shall be packaged in poly-lined super sacks capable of a 1000 kilogram contained load. The product shall be stored in a warehouse with a water-based fire suppression system. If the supersacks are to be moved via forklift or fork truck, the sacks should be on a wooden pallet with sufficient clearance for the fork tines to lift it.

6.1 The Contractor shall take care not to puncture, cut, or tear the super sack containers. The Contractors shall collect any spilled lanthanum oxide, lanthanum carbonate, or any other lanthanum compound in a proper manner as not to enter into any storm water system or sanitary sewer system drain due to the materials' ecological hazards. As these lanthanum compound powders are an irritant to the skin, eyes, and respiratory system, the Contractor shall use proper PPE, such as goggles, a particulate/air-purifying respirator, and nitrile/vinyl gloves during the Contractor's physical handling of Lanthanum compound powders during cleanup.

The Contractor is solely responsible for all spills or leaks during the performance of this SoW, which occurs as a result of, or is contributed to, the actions of its agents, employees, or Sub-Contractors. The Contractor shall clean up such spills or leaks to the satisfaction of the Government in a manner that complies with applicable Federal, State, and local laws and regulations. The cleanup shall be at no cost to the Government. The Contractor shall report

all such spills or leaks, regardless of their quantity, to the Contracting Officer and COR immediately upon discovery. The Contractor shall submit a written follow-up report to the Contractor and CORs not later than twenty-four (24) hours after the initial report. The Contractor shall ensure their written report is in narrative form, and, as a minimum, shall include the following:

a. Description of item spilled (including identity, quantity, etc.),

b. Whether amount spilled is EPA/State reportable and if so, whether it was reported,

c. Exact time and location of spill including a description of the area involved,

d. Containment procedures initiated,

e. Summary of any communications the Contractor has with press or Government officials other than the Contracting Officer or COR and

f. Description of clean-up procedures employed or to be employed at the site including disposal location of spill residue.

6.2 Marking – The Contractor shall tag/mark all containers of Lanthanum Powder as follows:

a. Each container shall be tagged/marked at three locations. One tag shall be mechanically fastened to the fill port of each container. Two opposing sides of each container shall be marked.
b. The font size utilized to enter the required information on each. tag/label shall be of sufficient size to be legible to the unaided eye.
b. All information on tag(s)/markings(s) shall be in English.
c. Any ink used shall be indelible and permanent. The use of paint to enter. the required information is not acceptable.
d. The tag/marking material shall not react with the commodity being tagged/marked.
e. All tags/labels shall be of sufficient size to permit the listing of all required information.

The Contractor shall include the following information on each tag/marking of Lanthanum Powder.

a. Commodity Name and Grade, Type or Form (e.g., “Lanthanum Oxide Powder” or “Lanthanum Carbonate Powder”)
b. Country of Origin
c. Producer Name
d. Gross Weight in pounds and metric units of each individual drum. (Metric units to be in parentheses.)
e. Net Weight in pounds and metric units of each individual drum. (Metric units to be in parentheses.)
f. Lot Number
g. Container Serial Number. (The serial number is the individual container number in relation to the total number of containers in the lot, e.g.

Container 6 of 33 containers in the lot.)
h. Government Contract Number
i. Manufacturer's Specification, Name, Number and Date

If the material is considered hazardous as defined by **OSHA 29 CFR 1910.1200** and/or the United Nations GHS, a label shall be prepared and affixed to each drum in accordance with those requirements.

7 TRANSPORTATION AND DELIVERY

The following section describes the transportation and delivery requirements for the Lanthanum Powder materials.

7.1 The Contractor shall arrange and oversee transportation, including the loading, unloading, and securing of the material on the transport vehicle(s).

7.2 The Contractor shall provide all equipment necessary for loading, securing, and unloading the material.

7.3 The Contractor shall notify the COR at least ten (**10)** business days prior to unloading the material for stocking and logging into the inventory, and to allow the COR the opportunity to witness the transfer.

7.4 The Contractor shall notify the COR at least ten (**10)** business days prior to pulling the material for rotation and allow the COR the opportunity to witness the transfer, if they chose to do so.

7.5 The transportation of this material shall comply with all relevant Federal, State, and Local laws, including the DoT Hazardous Materials Regulations (49 CFR 170-189) where appropriate, including SDS documentation inclusion in shipping requirements.

Hazardous Material Handling In accordance with The Hazard Communication Standard (HCS) (29 CFR 1910.1200(g)), the contractor shall submit a written plan documenting how it complies with all components of HAZCOM related to the storage and handling of this material. As applicable, the written submittal(s) shall address:

a. Process for managing the SDS

b. Container lists

c. Inventory of the material

d. Hazard communication

e. Employee training

8 ACCEPTANCE OF MATERIALS

8.1 The Contractor shall submit, to the COR, a written Material Certification Package for each lot of material for COR's document acceptance, prior to Contractor's delivery of material to the Government's inventory. The COR will have ten (10) calendar days to inspect and accept the documents contained in the package. The Contractor shall not deliver any material to the Government's inventory before COR approval of the Material Certification Package. The Contractor shall include the following written reports in their submitted Material Acceptance Package:

8.1.1 A Certificate of Conformance (CoC) that identifies the grade of material and certifies all test data is accurate to the material specification for the Lanthanum Powder. This will be reviewed as a part of the package for delivery.

8.1.2 A Certificate of Analysis (COA) as described in section 5.

8.1.3 The Safety Datasheet (SDS) for the provided material.

8.2 The Contractor shall not deliver any material to the Government's inventory without the COR's prior approval.

8.3 The COR will review all paperwork to confirm the correct Lanthanum Powder and weight, Material Certification Package, and SDS were submitted by the Contractor.

8.4 The COR will notify the Contractor by email of Government acceptance of documents for each lot of material to be delivered to the Government's inventory.

8.5 The Government will notify the Contractor, via email, of final acceptance of each lot of material in the Government's inventory. After the Government's inspection of material and after any Government sampling, testing, and inspection of the material, the Government has the authority to reject those production lots which do not meet the terms and specifications of the contract.

8.6 In the event the Government discovers material does not meet the requirements of this SoW, the Contractor shall replace material in accordance with this SoW, and at Contractor's expense. If the replacement material is unable to be certified as acceptable per this SoW, the Contractor shall be responsible for acquiring and delivering replacement material to the Government's inventory that is capable of being certified in accordance with this SoW. The Government will not accept delivery of material that does not meet the requirements of this SoW.

9 GOVERNMENT FURNISHED MATERIAL

There will be no Government furnished material under this contract.

10 DELIVERABLES

The Contractor shall provide all contract document deliverables, in writing and via email to the Government, and as described and summarized in Table 4:

Table 4: Contract Deliverables

Deliverable	Due	Approval
Program Management Plan	No later than (NLT) 30 business days after contract award	30 days after receipt by Government Representative
Quarterly Teleconferences	3 intervals starting NLT 3 months after contract award	14 days after receipt by Government Representative
Monthly Status Report	Starting NLT 1 month after contract award	7 days after receipt by Government Representative
Lot acceptance report	NLT 20 business days prior to material delivery	21 days after receipt by Government Representative
Stock Rotation Notice	NLT 60 days prior to use of Government Owned Material (GOM)	7 days after receipt by Government Representative
Stock Rotation Report	NLT 7 days after use of GOM	7 days after receipt by Government Representative

10.1 Program Management Plan PMP The Contractor shall submit a Program Management Plan (PMP) to the COR for acknowledgement and approval. The Program Management Plan shall define, at a minimum, the approach for acquiring and maintaining the inventory extension, operating and maintenance of the storage facility, rotation and internal consumption controls of the Lanthanum Powder, and disposition of stock rotation options for Government Owned Material (GOM) in inventory at the conclusion of the program. The Contractor shall ensure the program management plan (PMP) addresses the following:

1. Contractor's expected Lanthanum Powder type and quantities anticipated to be used or consumed during an average one (1) year period.
2. Contractor's three (3) to five (5) year market predictions for the demand of each Proprietary Information (PI) material specification requirement.
3. Contractor's technical specifications for Lanthanum Powder applications in proprietary information manufacture of FCC catalyst, if more stringent than SOW requirements.
4. How many years supply of the Lanthanum Powder the Contractor is willing to inventory, if more than SOW requirements?
5. How long would it take to build up the strategic inventory level?

6. What feasible lead times for purchase and recovery of inventory levels are.
7. What the Contractor's Lanthanum Powder Quality Control process is?
8. Description of the Contractor's internal Quality Control measure the Contractor use to ensure the Lanthanum Powder materials meet all quantity and technical requirements for this SoW.
9. Description of the Contractor's delivery and rotation schedule plan for each fiscal year of this program. The delivery schedule plan should include new Lanthanum Powder delivery dates/time period, new Lanthanum Powder types to be delivered, and amounts of new Lanthanum Powder types to be delivered in metric tons (MT). The rotation schedule plan should include that the amounts and lots of each Lanthanum Powder GOM stock that are already in the stockpile inventory are at approved levels and operate on a FIFO basis.

10.2 Quarterly teleconference (telecon)- The Contractor shall participate in a quarterly teleconference with the Contracting Officer, COR, and technical Government representatives to discuss purchasing decisions, lot acceptance criteria, and any potential issues of concern.

10.3 Status Report- On the fifth day of the month, the Contractor shall submit a report that documents all activity (customers, quantities, etc.) of the Government's inventory and certifies the chain of custody and current quantities in the inventory are at approved levels. Should the fifth day of the month fall on the weekend, the Contractor shall submit this report on the next business day.

10.4 Lot Acceptance Report- No less than 20 business days prior to the delivery of the Lanthanum Powder material lots purchased under this SOW, the Contractor shall provide to the COR the Materials Certification package to the COR in accordance with the requirements defined in this SoW.

10.5 Stock Rotation Notice- 60 days before the Contractor intends to rotate GOM into production, the Contractor shall notify the COR in writing and via e-mail, notice of the inventory lots and levels of material that have been previously approved for production. The Contractor shall include this information in the Monthly Status Report.

10.6 Stock Rotation Report- In no later than (NLT) 7 days after rotation of GOM inventory into production that was approved by Stock Rotation Notice, the Contractor shall provide to the COR, in writing and via email, an accounting of lots and levels consumed and a report of replacement for that inventory. The Contractor shall also report this information the Monthly Status Report.

11 Exit Strategy

At the conclusion of the base year period of performance and any exercised option periods, the Government will review and decide the manner of disposition of the material in the Government's inventory. The Contractor shall provide to the COR a written report including an up-to-date inventory. The Government will determine the final disposition of the Government's material. No later than 90 days in advance of the final disposition in the case of a decision to NOT exercise an option under contract, DLA Strategic Materials will notify the contractor of its intentions in written. The Government will pay all the additional disposition costs, such as transport, etc.

DLA Strategic Materials will reserve the right at the time to require the Contractor to package and prepare all material remaining under contract to current broadly accepted commercial standards for shipment to the address listed below. The Contractor shall coordinate the disposition activities. The Contractor shall ensure that all remaining material under contract is guaranteed to have 85% of remaining shelf life at the time of shipment from the Contractor.

The Lanthanum Oxide or Lanthanum Carbonate will be stored at a vendor managed facility to be determined.